

FBIS**DAILY REPORT**
CONTENTS*China***Vol I No 003****4 January 1985****PRC INTERNATIONAL AFFAIRS****GENERAL**

Beijing To Host International Banking Conference A 1
Over 100 Foreign Exhibitions Expected in 1985 A 1

UNITED STATES

U.S. Expresses Hopes for Shultz-Gromyko Talks B 1
U.S. Congress Opens With 'Many Tough Issues' B 2
Ex-Secretary Haig Discusses PRC-U.S. Relations B 3
Shenyang Consulate Moves to New Location B 3
Kang Keqing Meets With American Youngsters B 3

SOVIET UNION

USSR's Arkhipov Meets Outgoing PRC Envoy C 1
MOSCOW NEWS Cautions About Geneva Arms Talks C 1
USSR Begins Sample Survey of Population C 1

NORTHEAST ASIA

Kim Il-song on Reunification, Relations With PRC D 1

SOUTHEAST ASIA & PACIFIC

Bank of China Reviews Hong Kong's Economy E 1
CGDK's Son Sann Thanks Friendly Countries E 3
KPNLF Forces Kill SRV Troops in Nong Samet E 4
SRV Withdraws From Nong Samet E 4

SOUTH ASIA

Chinese Military Delegation Visits Pakistan F 1
XINHUA Examines Sri Lanka's Civil Unrest F 1

WESTERN EUROPE

Finnish Foreign Minister Lauds Ties With PRC G 1
Parliament Speaker Comments G 1

MIDDLE EAST & AFRICA

Zhac on Third World Unity; Meets Mauritius Guest I 1
Kuwaiti Oil Minister, Party Arrive in Beijing I 1
Talks With Rong Yiren I 1
Jordan Wants More Economic Ties With China I 2

PRC NATIONAL AFFAIRS

Yang Dezhi on PLA Streamlining To Cut Costs [CHINA DAILY 4 Jan]	K 1
Further Coverage of National Writers Conference Foreign Contacts Expand	K 2
Bai Hua Article [RENMIN RIBAO 31 Dec]	K 3
Article Hails Breakthroughs [RENMIN RIBAO 31 Dec]	K 4
Writers Liu, Wu Speak	K 6
Theorist Zhou Yang's Message	K 7
Peng Zhen Inspects Beijing Construction Projects	K 7
Hu Yaobang, Li Xiannian Inspect Tangshan Housing	K 9
Xu Xiangqian, Others Celebrate New Year	K 9
Xi Zhongxun, Wang Zhen Visit Arts Exhibition	K 10
Tian Jiyun Opens Marine Products Exhibit	K 10
Leaders Attend Nationalities Meeting 30 Dec Ulanhu Speaks	K 11
Li Peng Speaks on Reform of Railway Operation	K 12
Hu Qili Inspects Shekou Industrial District [JINGJI RIBAO 10 Dec]	K 14
Bo Yibo Hails New Administrative Study Society	K 15
Wan Li, Li Peng Cable Datong Power Plant Workers	K 16
Wan Li, Fang Yi at Party for Returning Scientists	K 16
Xue Muqiao Addresses Guidance Planning Seminar	K 17
Wan Li on Providing Peasants More Information [RENMIN RIBAO 1 Jan]	K 18
State Council Bans Indiscriminate Bonuses	K 19
Commentator on Improving Quality of Grain [RENMIN RIBAO 28 Dec]	K 21

PRC REGIONAL AFFAIRS

EAST REGION

Jiangxi Completes Government-Commune Separation	O 1
Su Yiran on Shandong Situation, Future Tasks	O 1
Shanghai Urges More Power for Enterprises [JIEFANG RIBAO 27 Dec]	O 3

CENTRAL-SOUTH REGION

Ren Zhongyi Interviewed on Guangdong Reform [CHINA DAILY Jan 4]	P 1
Enlarged Meeting of Henan Military District Ends	P 1
Hubei Urges Party To Recruit More Intellectuals Commentary on Admitting Intellectuals	P 2
Hunan Investigates Wrongful Use of Electricity	P 3
Hunan Meeting on Second-Stage Rectification	P 4

SOUTHWEST REGION

Sichuan Readjusts Enterprise Leadership Groups	Q 1
Sichuan Increases Specialized Households	Q 1
Yunnan Bureaus Protect Specialized Households	Q 2

NORTH REGION

Beijing Guangming Chinese Medicine College Opens [GUANGMING RIBAO 22 Dec]	R 1
Li Ligong at Shanxi Rally To Improve Party Style [SHANXI RIBAO 8 Dec]	R 2
Shanxi Commentary Discourages Fraudulent Statistics	R 3
Tianjin's Ni Zhifu Gives New Year Address	R 4

NORTHWEST REGION

Gansu County Party Leader 'Democratically' Elected	T 1
Qinghai Party Committee Holds Plenary Session	T 1
Bai Jinian Addresses Shaanxi Mobilization Meeting	T 2

TAIWAN

Foreign Minister Asks for Advanced U.S. Weapons [CHINA POST 29 Dec]	V 1
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HONG KONG MEDIA ON CHINA

Newspaper Dispute May Reflect Taiwan Policy Split [SOUTH CHINA MORNING POST 4 Jan]	W 1
PRC Likely To Meet 'Quadrupling' Target by 2000 [TA KUNG PAO 3 Jan]	W 2
New Manager Named for PRC Company in Macao [SOUTH CHINA MORNING POST 4 Jan]	W 3
Gu Mu Announces Opening of 4 Large Regions [SOUTH CHINA MORNING POST 4 Jan]	W 3
Daya Bay Joint Venture Contract Signing 18 Jan [SOUTH CHINA MORNING POST 4 Jan]	W 3

BEIJING TO HOST INTERNATIONAL BANKING CONFERENCE

OW040124 Beijing XINHUA in English 0113 GMT 4 Jan 85

[Text] Beijing, January 4 (XINHUA) -- "China Faces the Future", the largest international banking conference in China, will be held between May 4 and 11, 1985, according to the Bank of China today.

Foreign involvement in China's modernization program will be the keynote in the conference sponsored by the bank and EUROMONEY, a London-based journal with a worldwide circulation.

More than 400 foreign and Chinese bankers, industrialists and economists will attend to discuss China's economic development, open policy, foreign investment and Sino-foreign co-operation on economics, technology, trade and finance, the Bank of China said.

OVER 100 FOREIGN EXHIBITIONS EXPECTED IN 1985

OW031216 Beijing XINHUA in English 1129 GMT 3 Jan 85

[Text] Beijing, January 3 (XINHUA) -- More than 100 economic, trade and technical exhibitions arranged by foreign as well as Hong Kong and Macao firms will be held in Beijing and other cities throughout the country in 1985, a spokesman for the China Council for the Promotion of International Trade (CCPIT) told XINHUA today.

About 100 exhibitions have been arranged up to date, he added, and predicted that the number would grow later on and was expected to surpass that of 1984.

He said, with the development of China's economic construction and continuous expansion of trade and technical exchanges with foreign countries, the number of exhibitions held by foreign firms in China had been increasing rapidly in the past few years. There were 46 exhibitions in 1983, and the figure went up to more than 130 in 1984.

Prominent among the exhibitions arranged so far is the Asia and Pacific International Trade Fair, which will be held at the newly-built International Exhibition Center in Beijing from November 15 to 30, under the sponsorship of the CCPIT in cooperation with the United Nations Economic and Social Commission for Asia and the Pacific. The fair will cover an area of more than 30,000 square meters of floor space. Firms from over 20 countries and regions will attend and show electrical machinery, meters and instruments, and other commodities. The Chinese Government and people in economic and trade circles of various countries attach great importance to the fair as it will be the first of its kind ever held in the country.

The spokesman said, these exhibitions have been arranged in accordance with the needs of national and local economic construction as well as key state projects and the technical transformation programs of various enterprises. They will cover industry, agriculture, energy, communications, science and technology, education and other fields.

A characteristic of this year's arrangement is that exhibitions will be held not only in the coastal regions but also in the hinterland provinces and remote areas. For instance, four exhibitions will be held in southwest China's Yunnan Province in 1985, he added.

Meanwhile, the CCPIT's program for this year schedules nearly 30 economic and trade exhibitions abroad, the spokesman said.

U.S. EXPRESSES HOPES FOR SHULTZ-GROMYKO TALKS

0W040723 Beijing XINHUA in English 0648 GMT 4 Jan 85

[**"U.S. Hopes for 'Productive Outcome' in U.S.-USSR Foreign Ministers Meeting" -- XINHUA headline]**

[Text] Washington, January 3 (XINHUA) -- The U.S.-Soviet foreign ministers meeting next week in Geneva is "the beginning of a long and complicated process" and the United States will approach the talks "with a sense of determination and patience and with hope for a productive outcome," a senior White House official said today.

Robert MacFarlane, President Ronald Reagan's foreign policy adviser, said, at a press briefing regarded as a "scene-setter" on the upcoming Geneva talks between U.S. Secretary of State George Shultz and Soviet Foreign Minister Andrey Gromyko, that the talks "are extremely complex from a technological standpoint" and are "only part, although a vital part, of the broader relationship between our two countries, a relationship involving regional issues, human rights, and bilateral issues."

He said that while considerable time may be needed to reach agreement on arms control, the United States "is hopeful that the Geneva meetings will facilitate progress."

"We are realistic concerning the obstacles we face but we are determined at the same time to do our part to make these efforts succeed and to establish a framework and a process while resuming a bilateral arms control dialogue," he added.

MacFarlane told reporters that in the past year, President Ronald Reagan directed a review of the United States' arms control positions covering the separate negotiations which presumptively will be resumed in the future.

He also said Reagan recently chaired and now completed a review of preparations for the opening of the talks with the Soviet Union scheduled for next Monday in Geneva.

He noted that the United States has "constructive ideas" to present in Geneva and "we will listen carefully to the Soviet presentations."

"Our negotiators will be flexible and patient," he stated, adding that with equal commitment and flexibility on the part of the Soviet Union, "we are hopeful that these meetings will provide a start down the long road toward achieving equitable and verifiable reductions in nuclear forces, toward enhancing deterrence and ensuring the peace."

Meanwhile White House officials said yesterday that President Reagan has instructed Shultz to spurn any Soviet proposal to negotiate limits on developing new antimissile defenses.

Press reports quoted the officials as saying Reagan told Shultz to follow a "two-track" approach: to try to persuade the Soviets to resume negotiations on reducing each side's medium-range and long-range offensive weapons, and to offer only to hold discussions on future defensive arms.

If talks on defensive arms are held, the U.S. goal will not be to seek a ban on such technology as called for by the Soviets but to convince them that research into space defenses could enhance nuclear stability, particularly if combined with cuts in the size and number of offensive weapons, according to the officials.

U.S. CONGRESS OPENS WITH 'MANY TOUGH ISSUES'

OW040914 Beijing XINHUA in English 0850 GMT 4 Jan 85

[By Shi Lujia]

[Text] Washington, January 3 (XINHUA) -- The 99th Congress of the United States convened today to deal with an agenda packed with many tough issues that could put it at odds with the Reagan administration.

With Democrats remaining firmly in control of the House of Representatives and Republicans clinging to a cut-down majority in the Senate after last November's general election, observers here note that President Ronald Reagan won easy victories from a compliant Congress during the first two years of his first term but now he faces trench warfare almost from the start of his second term in nearly every major legislative issue.

The staging ground for battles between the White House and Congress in the coming months will be the federal budget and efforts to reduce the projected 200 billion U.S. dollars deficit with spending cuts and, possibly, tax increases.

Reagan proposed a budget for fiscal year 1986 with a cut of 34 million dollars in non-military spending and a cut of only 9 billion dollars in military spending. The congressional leaders, however, called for deeper cuts in defense, warning that Reagan could lose the battle of budget for this year, and perhaps for the rest of his second term, unless he agrees to a defense spending compromise.

Meanwhile, the Congress has showed little enthusiasm for the Reagan administration's proposed "flat tax" system that would eliminate most tax deductions but would not increase revenue to cut the deficit. New Senate majority leader Robert Dole made it clear yesterday that he would not rule out eventual tax increases as part of the deficit-cutting package, a solution the Reagan administration has so far refused to consider.

Some of the foreign and defense policy issues that dominated the last Congress will also be back this year, especially the MX missile plan which barely survived last year.

After the general election the Senate lost some MX supporters and gained some new opponents including the new chairman of the Armed Service Committee, Senator Barry M. Goldwater, so it will now be more difficult for Reagan to convince the Congress to accept his MX plan, an important bargaining chip in the forthcoming arms control talks with the Soviet Union.

The Congress is also expected to continue to balk at resuming U.S. aid to Nicaraguan rebels that was temporarily blocked late last year in an effort to force the Reagan administration to enter into talks with the Nicaraguan Government.

What worries the Reagan administration most, perhaps, is the fact that some Republicans have taken the lead in the opposition, showing more independence and feistiness than in the previous four years, a trend which signifies tough days ahead for the Reagan administration in its relationship with Congress, at least during the next two years.

EX-SECRETARY HAIG DISCUSSES PRC-U.S. RELATIONS

OW010504 Beijing XINHUA in English 0231 GMT 1 Jan 85

[Text] Washington, December 31 (XINHUA) -- U.S. former Secretary of State Alexander Haig regards preservation of good relations with China as one of the best opportunities in U.S. foreign policy in 1985.

Haig said in an ABC News interview yesterday, "I think the relationship with China is now on a sound track and should remain that way." He said this might represent one of the best opportunities in U.S. foreign policy in the new year. Haig resigned from his post as secretary of state in June 1982 reportedly because of his differences with President Ronald Reagan.

On U.S.-Soviet arms talks, Haig said such talks "should be welcome" providing that the United States does not enter into them with the naivete that has characterized similar discussions in the past. He said the greatest danger facing President Reagan in the near term "is the emergence of protectionism in the international trade arena and the growing tensions between ourselves and Europe and Japan."

Haig said that Central America is a problem to which he has "to give low grades to the administration since it simply has not been addressed effectively and continues to fester."

He said that Lebanon was a "severe setback for America's foreign policy." But he added he is pleased that "we are not overtending it because the dynamics of that region are such today that we best cool it for a while and let them settle down."

SHENYANG CONSULATE MOVES TO NEW LOCATION

SK031002 Shenyang Liaoning Provincial Service in Mandarin 2200 GMT 1 Jan 85

[Text] On 1 January, the Consulate General of the United States in Shenyang held a ribbon-cutting ceremony for moving to a new place. Cutting the ribbon at the new Consulate were Peng Xiangsong, vice governor; (Zhang Nongmao), vice mayor of Shenyang City; and James Hall, consul general of the Consulate General of the United States in Shenyang. After the ribbon-cutting ceremony, Consul General James Hall and his wife hosted a reception for the guests.

Consul General James Hall and (Li Xinshun), chairman of the provincial office in charge of foreign affairs, delivered speeches at the ceremony. The two parties expressed the hope that in the coming new year the friendship between the people of China and the United States will continuously improve.

KANG KEQING MEETS WITH AMERICAN YOUNGSTERS

OW030944 Beijing XINHUA in English 0635 GMT 3 Jan 85

[Text] Beijing, January 3 (XINHUA) -- Vice-Chairman Kang Keqing of the National Committee of the Chinese People's Political Consultative Conference met here this morning with a group of young American activists in helping save China's giant pandas. She praised the visitors, who are middle and primary school students, and other American youngsters for their efforts to make the giant pandas known to more American children and collect money for preserving the precious animals.

The youngsters are led by Professor Paul Chuan-juin Chow of the University of California. As guests of the China Wildlife Conservation Association, they visited Wuolong, a nature preserve in Sichuan Province where giant pandas are confronted with a harsh situation because of the flowering of bamboo. During the meeting, the visitors told Kang Keqing about what they saw in Wuolong. They are scheduled to leave for home tomorrow.

USSR'S ARKHIPOV MEETS OUTGOING PRC ENVOY

OW031626 Beijing XINHUA in English 1623 GMT 3 Jan 85

[Text] Moscow, January 3 (XINHUA) -- Soviet First Deputy Premier Ivan Arkhipov met with outgoing Chinese Ambassador to the Soviet Union Yang Shouzheng in the Kremlin Palace here this afternoon. [Beijing XINHUA Domestic Service in Chinese at 1545 GMT on 3 January in a similar item adds the following: "They had a warm and friendly conversation."] During the meeting, Arkhipov recalled his recent China visit with satisfaction, while Ambassador Yang congratulated him on his successful visit.

MOSCOW NEWS CAUTIONS ABOUT GENEVA ARMS TALKS

OW031530 Beijing XINHUA in English 1519 GMT 3 Jan 85

[Text] Moscow, January 3 (XINHUA) -- The upcoming Geneva arms talks between the Soviet Union and the United States will bring hope for peace, but people must not be "over-optimistic" about it, the Soviet weekly MOSCOW NEWS said in its first edition of 1985.

The article criticized the United States for trying to gain military superiority through the talks. If the United States will not commit itself to the non-militarization of outer space, it is probable the talks will end abruptly, said the article.

The two sides naturally will have different interests, the article said, but added that a breakdown would come about should one side stick to the belief that only its own interests are important.

The talks will be successful only if they are conducted on the principle of equality and equal security, it said.

USSR BEGINS SAMPLE SURVEY OF POPULATION

OW030840 Beijing XINHUA in English 0640 GMT 3 Jan 85

[Text] Moscow, January 2 (XINHUA) -- The Soviet Union today started a sample survey of the population in the whole country.

The survey, which involved some 14 million people, or five percent of the country's total population, is aimed at finding out what changes have taken place since the population census in January 1979 so as to provide a basis for planning the economic and social development in the future.

According to a report, the survey covers subjects such as residents composition, education attainment, population distribution, resources of labor force, food supply, variety and quality of industrial products, housing conditions, medical services, wages, transport and communication, marriage and birth.

KIM IL-SONG ON REUNIFICATION, RELATIONS WITH PRC

OW021158 Beijing XINHUA Domestic Service in Chinese 1224 GMT 1 Jan 85

[Text] Pyongyang, 1 Jan (XINHUA) -- In a New Year's message issued today, Kim Il-sung, general secretary of the Korean Workers Party [KWP] Central Committee and president of the Democratic People's Republic of Korea, urged the Korean people to rally closely around the KWP Central Committee to achieve new victories in socialist construction and to struggle for an early realization of an independent and peaceful national reunification.

On Korea's reunification, Kim Il-song said: Northern Korea will patiently and continually exert unremitting efforts for the realization of the proposal to hold tripartite talks. He urged the United States to respond to the proposal on tripartite talks as soon as possible.

Kim Il-song pointed out: Northern Korea's relief supplies for the victims of the natural disaster in Southern Korea, and the atmosphere created for contacts and dialogues between Northern and Southern Korea, as well as the economic talks and the talks between the Red Cross associations of Northern and Southern Korea "are significant and major events for easing our country's tension, achieving national harmony and unity, and exploring peaceful national reunification."

President Kim Il-song said: If the North-South dialogue can proceed smoothly according to the wishes of the people, it will gradually develop into higher-level talk and then into high-level North-South political talks.

Kim Il-song said: International support for Korea was greatly strengthened in 1984. The visit made by the Korean party and state delegation to the USSR and socialist states in Eastern Europe was a "historic visit."

Kim Il-song said: 1984 was an important, landmark year in which Korea developed its friendship and cooperation with China. The exchange of visits made by the two countries' party and government leaders deepened their comradely and close relationship, and further developed the traditional Korean-Chinese friendship.

Kim Il-song pointed out: From now on, Korea will strengthen its friendship and unity with all socialist states, develop its economic and technical exchange and cooperation with them, develop cooperation and exchange with more Third World countries in the agricultural and other departments, unite with all developing countries, and work hard to achieve broad South-South cooperation. Under the principle of equality and mutual benefit, Korea will also develop friendly relations with all countries of the world which respect Korea's independence and which are friendly to Korea.

Kim Il-song said: 1985 is a year of far-reaching significance during which the 40th anniversary of the liberation of Korea and the 40th anniversary of the founding of the KWP will be marked. He urged the Korean people to continue to uphold the three great revolutionary banners -- ideology, technology, and culture -- during the new year, actively implement the decision of the 10th Plenary Session of the 6th KWP Central Committee, start up all factories and enterprises, continue to develop agricultural production, actively tap production potentials, and greatly improve the people's livelihood this year.

BANK OF CHINA REVIEWS HONG KONG'S ECONOMY

HK040412 Beijing XINHUA Hong Kong Service in Chinese 1300 GMT 29 Dec 84

[Article by the Economic Research Department of the Hong Kong and Macao Management Office of the Bank of China: "Review of and Prospects for Hong Kong's Economy"]

[Text] Hong Kong, 29 Dec (XINHUA) -- I. In 1984, impelled by the three major factors of the smooth progress of the Sino-British talks on the question of Hong Kong and the reaching of a satisfactory agreement, the sustained recovery of the Western economy, and the ever-favorable situation in China's modernization program and the open-door policy, the situation in Hong Kong's economy has been rather striking and its foreign trade and tourism have developed vigorously. The deficits in visible trade have dropped sharply and the favorable balance of invisible trade exceeded that of 1983, which put an end to the recurring deficits in visible and invisible trade in the past 6 successive years. The investment activities of industrial organizations have been enhanced to some extent. The investment by foreign industrial capital in particular has increased by a big margin, of which a large amount is for medium- and long-term projects. Local manufacturers have also markedly increased their investment in machines and equipment. Investment in real estate has begun to pick up. The Hong Kong Government's income from land sales has increased sharply over the previous year and the real estate deals have become partially revitalized. Stock market transactions have been relatively active and the number of enterprises and companies using the stock market to garner funds has increased to some extent. Foreign capital has maintained its foothold in Hong Kong.

In 1984, four banks subsidized by Japan and one by the Netherlands began business in Hong Kong, and three U.S.-subsidized financial organizations separately took over three banks registered in Hong Kong. The financial market has been relatively stable. The exchange rate of the Hong Kong dollar to the U.S. dollar, which is the concern of various circles, has fluctuated between HK\$7.81 and 7.85. Although there were two big fluctuations in early March and July, the fluctuation has exceeded 3 percent, a far more stable situation than in 1983. Meanwhile, influenced by the strong U.S. dollar and the sharp increase in exports the Hong Kong dollar remained strong against other major currencies. In banking, although the supply of funds exceeded demand, business developed in a relatively stable manner and better results were achieved. There has been considerable progress in trade and investment between Hong Kong and the mainland. The mainland has become the second largest market for Hong Kong exports instead of the fourth place it occupied in 1983, and has continued to regard Hong Kong as its largest import market and major entrepot trade market. In 1984, China further opened the 14 coastal cities and Hainan Island to the outside world, which expanded the sphere for economic contacts between Hong Kong and the mainland. An increasing number of Hong Kong manufacturers have run factories and joint ventures in the mainland to exploit the inland resources. The open cities investment trade talks held in Hong Kong in November set off a new upsurge in investment and achieved fruitful results. Meanwhile, the industrial and commercial enterprises in the mainland and local enterprises subsidized by China have also enhanced their investment activities in Hong Kong.

However, long-term capital investment failed to comprehensively recover because investors adopted a wait-and-see attitude. The aftereffects of the real estate crisis have still not been entirely eliminated and some property and banking firms still bear heavy burdens. Bankruptcy of enterprises has occasionally occurred due to the influence of the real estate crisis. Furthermore, the growth of demand is still too slow. These negative factors have affected the development of Hong Kong's economy in 1984 to varying degrees.

II. Following the formal signing of the Sino-British joint declaration in December 1984, Hong Kong's history entered a new era. Looking forward to 1985, Hong Kong's political situation will become more clear and stable and a new situation more prosperous than 1984 will appear in Hong Kong's economic and financial fields.

Sustained growth can be expected in industrial production and marketing. The following are the favorable factors for industrial production and marketing. Western economy will continue to develop. The economic growth of some capitalist countries, which serve as Hong Kong's main export markets, such as the United States, West Germany, the United Kingdom, and Japan, has developed to varying degrees this year, leading to new changes in their demands on Hong Kong products. It is expected that the economy in the United States will slow slightly in 1985, which is bound to affect Hong Kong's exports to the United States. Nevertheless, as the products exported from Hong Kong to the United States are mainly consumer goods and there is still a great demand for consumer goods on the U.S. market, the growth of Hong Kong's export goods to the United States can still be maintained in 1985. Since the economy of West Germany and the United Kingdom in 1984 has been better than the previous year, there will be an increasing demand for Hong Kong products. Hong Kong's exports to Japan will also increase thanks to the opening of Japan's market to Hong Kong products. Meanwhile, China's economic reform is in full swing and its economic development has entered a completely new stage. China's foreign economic activities will be carried out on a larger scale and at a quicker pace. Hong Kong's economic connections with the mainland will become closer and trade contacts will continue to increase. Hong Kong's role as a bridge for China to carry out foreign economic contacts will be enormously enhanced. All these are the vital and positive factors for the development and prosperity of Hong Kong's economy. Judging by the orders received so far by Hong Kong's manufacturing industry, the manufacturers have an average of 4 month's orders on hand. Of this, toy manufacturers have received orders through May 1985 and electronics manufacturers have received large numbers of orders that can ensure production until June 1985. With the above favorable factors, there will be a sustained growth in Hong Kong's industrial production and marketing and a remarkable increase in industrial investment. In addition to the increase in foreign industrial investment, local industrial circles will also begin to work out long-term development plans. However, it should be noted that U.S. trade restrictions on textile imports will seriously affect the production and marketing of Hong Kong's knitting industry.

The activities of the real estate and building industry sectors are beginning to recover. The recent transaction over a piece of land in Tsimshatsui East for a high price and the announcements about huge investment plans made by Hutchison Whampoa Ltd. and the New World Development Company Ltd. show that investors have gradually built up their confidence in the future of real estate.

It has been predicted that in 1985, new investment plans for real estate and the demands for various kinds of premises will increase to some extent. However, in view of the large market and the overstock of unsold properties, it is estimated that real estate prices will not rise by a large margin.

The financial market will become more stable. In view of Hong Kong's clear future, foreign capital will continue to flow in and there will be a steady growth in the economy and a favorable balance in foreign trade. Furthermore, with the policy adopted by the Hong Kong Government on a fixed-rate system for the sake of protecting its currency, the Hong Kong dollar will become more stable. It is predicted that the fixed rate of the Hong Kong dollar to U.S. dollar will remain at the HK\$7.80 level in the new year. The predicament of the banking firms will be further alleviated. With the satisfactory solution of the Hong Kong question and the stable market, there will be a continuous flow of foreign capital, which is advantageous to the sustained growth of bank deposits. On the other hand, with the increase of trade and industrial investment, the granting of bank loans will also increase correspondingly. With the favorable turn in the marketing of small and medium-sized residential dwellings and industrial buildings and the construction on some large real estate development plans, the bank loans granted to the real estate and building industries will also increase to some extent. The real estate debt burdens directly or indirectly incurred by the banks in the past 2 years can be expected to be alleviated. It is particularly noteworthy that Hong Kong's status as an international financial center will be further enhanced in the new year. It is predicted that foreign financial capital will continue to take advantage of Hong Kong in order to establish various financial organizations and to vigorously conduct all kinds of business. Moreover, the financial connections between Hong Kong and the mainland will form a new trend on the financial market.

In summation, Hong Kong's economic situation in 1985 is likely to be optimistic. In the development of Hong Kong's economy in the new year, however, the pressure on Hong Kong's inflation caused by tax and price increases resulting from financial deficits and the developing trend of U.S. economic and trade policies are matters which deserve attention.

CCDK'S SON SANN THANKS FRIENDLY COUNTRIES

0W031642 Beijing XINHUA in English 1616 GMT 3 Jan 85

[Text] Bangkok, January 3 (XINHUA) -- Prime Minister Son Sann of the Kampuchean Coalition Government has expressed thanks to friendly countries for their support for the Kampuchean people's struggle. Those countries have condemned Vietnamese attacks and shelling at Nong Chan, Nong Samet and other villages under the control of the coalition government.

In a press statement dated December 26, 1984 but distributed to the press here today, Son Sann, who is also president of the Khmer people's National Liberation Front, also expressed "deep disappointment at the attitude of some U.S. congressmen visiting Indochinese countries which do not respect human rights, international laws and the resolutions of the United Nations on Kampuchea."

By doing so, Son Sann said, these U.S. congressmen are "recognizing the aggression and the colonization of Kampuchea by Hanoi troops and the puppet regime installed in Phnom Penh by Hanoi," and aiming at weakening the position of the coalition government.

Two American congressmen including a subcommittee chairman of the House of Representatives Foreign Affairs Committee Solarz recently paid a three-day visit in Indochina and met high-ranking officials of Hanoi, Phnom Penh and Vientiane. Thailand criticized the trip as sending "the wrong signals" to Indochina, but Solarz rejected this.

KPNLF FORCES KILL SRV TROOPS IN NONG SAMET

OW031018 Beijing XINHUA in English 0907 GMT 3 Jan 85

[Text] Bangkok, January 3 (XINHUA) -- About 300 Vietnamese soldiers had been killed by the Khmer People's National Liberation Front (KPNLF) Armed Forces in the battle at Nong Samet Camp in Northwestern Kampuchea between December 25 and 30, an official of the KPNLF office in Bangkok told XINHUA today.

To regain Nong Samet camp which was taken by the Vietnamese on December 25, the official said that the front troops are now moving carefully and slowly in their attempt to oust the Vietnamese occupation troops from the camp.

The BANGKOK POST quoted Thai military sources as reporting that the Vietnamese troops have made two incursions into Thailand, one at O-Bok Pass in Buri Ram and the other in south of Aranyaprathet, in recent fighting. Four Thai Civilian border guards were reportedly killed by the Vietnamese intruders.

The Thai Foreign Ministry is going to lodge protest against the Vietnamese incursion with the United Nations.

SRV Withdraws from Nong Samet

BK040521 Beijing in Cambodian to Cambodia 1030 GMT 3 Jan 85

[Text] A spokesman of the Cambodian resistance forces told newsmen along the Cambodian-Thai border on 2 January that the Vietnamese troops that invaded and occupied Nong Samet Camp were compelled to withdraw on 2 January. This spokesman said: Since the beginning of their attacks on this camp, more than 500 Vietnamese soldiers were killed. The Cambodian resistance side suffered 40 men killed and 260 others wounded. The Cambodian guerrillas now control two-thirds of Nong Samet Camp.

CHINESE MILITARY DELEGATION VISITS PAKISTAN

OW021912 Beijing XINHUA in English 1903 GMT 2 Jan 85

[Text] Islamabad, January 2 (XINHUA) -- The visiting goodwill delegation of the Chinese People's Liberation Army (PLA) led by He Zhengwen, PLA's deputy chief of General Staff, was entertained to a dinner here this evening by General Khalid Mahmud Arif, vice chief of the Army Staff of Pakistan. In his toast at the dinner, Arif said that the delegation's visit was "a manifestation of the friendly relations existing between the armed forces of the two countries." He said: "The People's Republic of China has stood by us during moments of our crisis. Those acts have left indelible marks in the hearts of all Pakistanis."

In reply, He Zhengwen said: "We rejoice at the recent referendum of Pakistan in which the people expressed to President Zia their warm support and full confidence."

Praising Pakistan's positive role in the international affairs, He said: "Pakistan has made effective contributions to the peace in the region, the rest of Asia and the world by upholding justice, preserving in principles and pursuing a non-aligned foreign policy." He expressed appreciation for Pakistan's principled stand on the Afghanistan issue and its relief to the three million Afghan refugees, and firm support for the just struggle of the Afghan people against foreign aggression.

The Chinese PLA delegation arrived here on December 31 for an 11-day visit.

XINHUA EXAMINES SRI LANKA'S CIVIL UNREST

OW301158 Beijing XINHUA in English 1031 GMT 30 Dec 84

["Year-ender: Light at End of Tunnel? (by Ma Shengrong)" -- XINHUA headline]

[Text] Colombo, December 30 (XINHUA) -- One of the prominent features in Sri Lanka's domestic situation this year is the intensified clashes between the two major nationalities, the Sinhalese and the Tamils. It all began in January when 17 soldiers and 12 policemen were killed by the Tamil militants at Chunnakam, a small town in the north. Direct conflicts between the Tamil separatists and the Army and police of the Sinhalese-dominated government have continued since then with over 400 people reportedly killed to date.

The worst clash came on November 20 when the separatists killed 29 policemen during their attack on a police station in Jaffna district, one of the focuses of ethnic conflicts in the country. Later, Sri Lankan Tamils in Madras, southern India, claimed in a statement that they were going to set up the "Tamil Eelam" (a separate state) by January 14, 1985. This is in fact the continuation of a prolonged ethnic problem in Sri Lanka. During the past decades, bloody incidents erupted time and again in this south Asian island. About 400 people, mainly Tamils, died in violence in July 1983, which further worsened the situation throughout the country.

Both the government and the Tamils argue that they are fighting for a cause. The government describes the Tamil militants as "separatists" and "terrorists" who are trained in southern India. Senior officials stated that the government forces are fighting for a united Sri Lanka and against those who are trying to break away from the country.

However, the Tamils, who make up some 18 percent of the country's population, claim they are discriminated against by the Sinhalese majority, especially in jobs and education. The Tamil separatists have been seeking by force the establishment of a separate state in the north.

The government seems determined to crush the "terrorists" in the north by the might of its Army. Fresh reinforcements have been sent to the north and east in recent months. Prohibited and security zones have been set up in Jaffna and its surrounding areas. Curfews, some as long as 72 hours, have been imposed in many districts from the north, east to the north central provinces. But there is still no sign that the situation has been improved.

Meanwhile, the government is also making efforts to seek a political solution to the ethnic problem. The All Party Conference (APC) proposed by President J.R. Jayewardene himself opened in January. No concrete results were achieved at the 35 sessions during the first ten months. On December 14, President Jayewardene put forth a set of proposals for the creation of "a form of participatory democracy" which will give district and provincial councils greater powers and functions than the present ones. "This is a kind of autonomy," a senior official explained. However, the proposals met widespread opposition from the influential religious bodies, the Tamil United Liberation Front, and the Sri Lanka Freedom Party, a major opposition which was absent from the All Party Conference. Therefore, the government had to drop the proposals in less than a week after the ending of the APC and requested the president "to continue his efforts to find a political solution while taking all measures to eradicate terrorism."

"What is the way out of the situation?" Many Sri Lankans have been asking the question.

Most observers here believe that the ethnic problem and "terrorism" in the north are interlocked and are difficult to be solved separately. Among the Tamil organizations, the Tamil United Liberation Front has been advocating the liberation of Tamils through non-violent means. But many other groups formed by young extremists believe in taking up arms to set up a separate state for the country's 2.6 million Tamils. A political solution is possible only when most of the Tamil organizations are willing to sit at the conference table.

On the other hand, what will the majority Sinhalese do? This will count heavily in the process of seeking a political solution to the problem. Since all the efforts have ended in failure so far, the chance for an immediate solution seems slim, an analyst said. A local source said, "We do hope to see some light at the end of the tunnel. But is there any light at the end of the tunnel?"

The government is continuing its efforts for a political solution within the framework of a unitary country, which enjoys wide support of the people. A reader writes this to a local paper: "Divided we fall" and it is "unity" only that would truly cement a lasting and closely knit society -- a unique island with one heart and one body.

FINNISH FOREIGN MINISTER LAUDS TIES WITH PRC

OW040724 Beijing XINHUA in English 0637 GMT 4 Jan 85

[Text] Helsinki, January 3 (XINHUA) -- Finnish Foreign Minister Paavo Vayrynen said here today that 1984 has marked a very important year in the history of Sino-Finnish relations. Vayrynen said this at a banquet for the outgoing Chinese ambassador to the country, Sun Shengwei.

He noted that 1984 saw the signing of a cultural agreement, an investment protection treaty and a contract to establish the first joint venture of the two countries. Trade between the two countries reached a record high level.

Sun Shengwei in his address at the banquet pointed out that there are no fundamental differences between China and Western and Northern European countries, and China aims to strengthen cooperative relations in various fields with these countries. On its way to modernization, China considers Finland and other Western and Northern European countries its friendly and cooperative companions, the ambassador said.

Parliament Speaker Comments

OW030834 Beijing XINHUA in English 0733 GMT 3 Jan 85

[Text] Helsinki, January 3 (XINHUA) -- Finnish Parliament Speaker Erkki Pystynen described his country's relations with China as excellent with no trouble at issue, and predicted further development in their relations with an increase in political contacts and economic cooperation between the two countries.

He was speaking at a banquet given by Chinese Ambassador Sun Shengwei here yesterday. The parliament speaker is going to China in mid-January for a visit at the head of a Finnish parliamentary delegation.

The past years, he said, saw positive development in Finnish-Chinese relations and trade had doubled between the two countries in the past year. "We, as representatives of the Finnish Parliament, are very glad to go to China at a time when their relations are going to pick up steam. Finland, albeit a small country with limited economic strength, is willing to contribute to closer relations between our two countries in various fields," he said. The parliament speaker expressed the belief that China will become a world economic power in the foreseeable future, in view of the major economic reforms going on there.

In answer, Ambassador Sun said the visit by the Finnish parliamentary delegation will contribute to boosting the existing relations between the two countries and two peoples. He wished the delegation success in the visit.

ZHAO ON THIRD WORLD UNITY; MEETS MAURITIUS GUEST

OW031340 Beijing XINHUA in English 1314 GMT 3 Jan 85

[Text] Beijing, January 3 (XINHUA) -- Chinese Premier Zhao Ziyang said here today that China's open policy would not affect or weaken its cooperation with other Third World countries. He pledged that China would make further efforts to strengthen the unity and cooperation of the Third World and continue to take a firm stand of safeguarding the interests of the people of the Third World countries.

He made these remarks at a meeting here this afternoon with a delegation from the Mauritius Alliance Party led by Harish Boodhoo, member of the Political Bureau of the party and its whip in the Legislative Assembly.

Zhao also said that China attached great importance to the development of its friendly ties with Mauritius since they both belonged to the Third World and faced common tasks. "Our two countries share identical views on many international issues," he added.

Boodhoo praised China for its internal and external policies. He said that the whole world appreciated China's concept of "one country, two systems" in settling the Hong Kong question and described it as unprecedented in world history.

The Mauritian delegation will leave here for the Democratic People's Republic of Korea tomorrow at the end of a 15-day friendship visit here.

KUWAITI OIL MINISTER, PARTY ARRIVE IN BEIJING

OW031634 Beijing XINHUA in English 1621 GMT 3 Jan 85

[Text] Beijing, January 3 (XINHUA) -- Ali al-Khalifa al-Adhbi al-Sabah, minister of oil and finance of Kuwait, and his party arrived here this evening on a friendly visit to China at the invitation of Chinese Minister of Petroleum Industry Tang Ke. They were greeted at the airport by Tang Ke and Abdallah Masoud al-Abdallah, charge d'affaires ad interim of the Kuwaiti Embassy here.

During his stay in Beijing, Al-Khalifa will discuss with Chinese departments the possibility of joint development of natural gas and oil. He is also expected to sign agreements on the joint construction of a chemical fertilizer plant by China, Kuwait and Tunisia.

Talks with Rong Yiren

OW040816 Beijing XINHUA in English 0735 GMT 4 Jan 85

[Text] Beijing, January 4 (XINHUA) -- Visiting Kuwaiti Minister of Oil and Finance Ali al-Khalifa al-Adhbi al-Sabah discussed the establishment of a joint development corporation here today with Rong Yiren, chairman of the Board of Directors of the China International Trust and Investment Corporation.

Both sides agreed that such an economic entity should be set up at an early date with a view to tapping the big potentials in the economic cooperation between the two countries. They also discussed a number of new cooperative projects.

Rong Yiren, also vice-chairman of the National People's Congress Standing Committee, visited Kuwait last December. He told Minister al-Khalifa today that he would like to see more exchanges between the two countries on the basis of equality and mutual benefit. "We welcome the Kuwaiti Government as well as private sector to come and invest in China," Rong said.

Al-Khalifa reaffirmed the desire of his government and the Kuwaiti people to expand cooperation with China and make it a model for the South-South cooperation. He believed that his visit would produce positive results.

After the meeting, Rong Yiren hosted a luncheon in honor of Al-Khalifa and his party.

JORDAN WANTS MORE ECONOMIC TIES WITH CHINA

OW031928 Beijing XINHUA in English 1907 GMT 3 Jan 85

[Text] Amman, January 3 (XINHUA) -- Jordanian Crown Prince Hasan ibn Talal today expressed his hope that the economic cooperation between Jordan and China within the framework of South-South cooperation would develop.

Hasan made this remark when he met with the visiting Chinese economic delegation of Fujian Province led by Deputy Governor Zhang Yi today.

The delegation arrived in Amman yesterday for a 5-day visit to Jordan at the invitation of the board of United Trading Company (UTC) of Amman.

Hasan wishes the cooperation between UTC and Fujian Province to succeed and said that Jordan and China, both following an open economic policy, had good prospects for future cooperation.

UTC had signed 89.5 million dollars worth of contracts with Fuzhou Electric Power Bureau and Xiamen Electric Power Bureau to build two power generation projects in Fujian Province.

YANG DEZHI ON PLA STREAMLINING TO CUT COSTS

HK040126 Beijing CHINA DAILY in English 4 Jan 85 p 1

[By staff reporter Zhu Ling]

[Text] The People's Liberation Army will further streamline its ranks in order to cut State military expenses, according to Yang Dezhi, chief of the PLA's General Staff.

In an exclusive interview with CHINA DAILY, Yang said: "Over the past few years, the country's economy has grown rapidly and State revenue has gone up. Our military forces should do everything they can to help maintain the trend."

The PLA, he said, should further streamline its ranks and reduce its noncombatant personnel as a way to aid China's modernization programme.

"This will not only save military expenditure but supply a large number of demobilized officers and soldiers to take part in the country's economic construction," the 74-year-old general said.

The PLA chief also stressed that the Chinese military forces will further improve weaponry and beef up soldier education and training.

This is aimed at turning the PLA into a modern revolutionary force with a strong capability for quick military reaction, Yang said.

Since 1976, PLA streamlining has saved the State a large amount in military expenditure. Yang said: "This has been important for the smooth progress of the country's economic readjustment."

Yang added that the PLA is duty-bound to vigorously support the country's four modernizations and the open-door policy.

"Only a prosperous nation and people can provide a strong base for building up the PLA," Yang said.

Last year, he said, the PLA aided the country's modernization drive mainly in four ways. They include:

- Taking part in the construction of the State and local projects;
- Devoting many of its extensive resources to civilian work, including the use of military airfields and ports for commercial transportation;
- Participating in the construction of public utilities;
- Helping rural areas develop commodity production and education of popular science.

Last year, Yang said, the PLA was involved in more than 1,100 State and local projects, including construction of the port and airfield at Shengli Oilfield, China's second largest, and the expansion of airports in Dalian and Haikou, two port cities.

"It has rarely happened that the PLA devoted so many troops to so many projects," he said.

"Our involvement in these projects has saved a large amount of money for the country and greatly quickened the construction process with good economic results," Yang said.

Last year, the PLA gave up or reduced some of its restricted zones, including airports, ports and barracks, for civilian use.

The Chinese Air Force alone allowed commercial transportation at more than 30 of its airports, greatly easing the congested air traffic problem, he said.

So far, more than 70 airports that belong to the Chinese Air Force and Navy have been put to commercial use.

In the newly-opened coastal cities, the PLA has upgraded and expanded its hotels, auditoriums, hospitals and sanatoriums to accommodate both Chinese and foreign guests.

To meet the demands of the fast-expanding national tourism, the PLA has helped construct scenic sites in Beijing, Xian, Jinan, Wuhan, Lanzhou, Sheyang and Shijiazhuang cities, Yang said.

In addition, the military forces in remote and underdeveloped areas have also helped residents there popularize scientific farming and develop a diversified economy.

All such activities have contributed to closer ties between the PLA and civilians, Yang said.

FURTHER COVERAGE OF NATIONAL WRITERS CONFERENCE

Foreign Contacts Expand

OW031010 Beijing XINHUA in English 0836 GMT 3 Jan 85

[Text] Beijing, January 3 (XINHUA) -- The past five years saw growing contacts between Chinese and foreign writers -- a sharp contrast to earlier days when China was cut off from the outside world.

According to the Chinese Writers Association (CWA), 81 groups composed of 234 Chinese writers, poets, critics and translators visited 36 countries and regions in the 1980-1984 period, and exchanged views with their foreign counterparts with regard to the social responsibility of writers and sources of creation.

During the same period, the CWA and its branch offices in other parts of the country were hosts to 330 writers in 85 groups from 26 countries and regions. They included Yasushi Inoue of Japan, Harrison Salisbury, Maxine Hong Kingston and Toni Morrison of the U.S.A., Emmanuel Robles of France, Per Wastberg, president of the International PEN Center, and presidents of writers' associations of Algeria, Australia, Mexico, Romania and some other countries.

Ye Junjian, translator and member of the CWA Secretariat, said: "All these exchanges have helped promote mutual understanding between Chinese and foreign literary circles."

Wang Meng, also a member of the CWA Secretariat and editor-in-chief of PEOPLE'S LITERATURE, said: "In the past, our foreign counterparts knew little about contemporary Chinese literature and seldom studied it. But now, symposia on contemporary Chinese literature have been held in quite a number of countries."

Ye, who has many foreign contacts, has the same feeling, saying that in the past, foreigners considered Chinese literature "leftist" and "pugnacious." But now this view is on the ebb.

Speaking of the influence of contemporary foreign literature on Chinese writers, Wang said, there were both good and bad influences, but mainly good ones. "This has enabled us to know more literary forms and pay more attention to artistic feeling," he said.

Chinese writers should first of all read as many foreign literary works as possible, and then they can distinguish good from bad, Wang added.

In the past, some people thought that foreign modernist literary works were decadent and pornographic. "This is not fair," Ye said, adding that the effect to introduce foreign works into China had helped Chinese workers learn more and more about foreign literature.

Ye held that Chinese literature was rooted in the realistic tradition going back to the early years of this century when modern Chinese literature came into being. Chinese literature was not heavily influenced by the modernist school, he said.

However, he pointed out that Chinese writers should know more about foreign artistic techniques of expression so as to have more of a common language with their foreign counterparts. They could also learn from these techniques.

The CWA has decided to set up a Sino-foreign publication corporation to promote Sino-foreign literary exchanges, and preparations are now under way.

Coupled with the development of Sino-foreign literary exchanges, mutual understanding and friendly relations between writers of Hong Kong, Macao, Taiwan and those on the mainland are also gaining ground. A great number of literary works from Hong Kong, Macao and Taiwan have been introduced to readers on the mainland recently.

Bai Hua Article

HK040522 Beijing RENMIN RIBAO in Chinese 31 Dec 84 p 7

[Article by Bai Hua: "March Rapidly Forward"]

[Text] For several nights I walked alone down the long Changan Avenue, listening attentively to my steps in the snow and breathing the fresh but piercingly cold air. It was extremely quiet in the late night. Standing on the snowy ground beneath the column erected in front of the Tiananmen tower I appeared tiny. At this very moment I could definitely say: I am a most happy man! What a valuable moment it was! I discovered that although time passed by, the feelings of hope remained as usual.

I came to the capital on this occasion to attend the Chinese Writers Congress. The present congress is not likely to be a regular procedural work conference, or an assembly to arrange an order of seating and strive for superiority, still less a criticism meeting that is incompatible with the seething life of the entire motherland. Therefore, I brought only an easy and serious sense of responsibility instead of anxious and fearful sentiments. This is because the party and people have required us to hold a congress to boost vigor, unity, and prosperity. A true Chinese writer should first be a son of the motherland, and his ardent wish should be to work hard for accomplishing his historical mission instead of anything else. The work of writers has determined our responsibility. A new batch of gifted people with distinctive characteristics has emerged recently in the world of literature, which is the most important condition for the great prosperity of our literature. "Great vigor, great unity, and great prosperity" put forward by Comrade Yaobang is precisely what we Chinese writers need. How familiar he is with the current situation in the literary circles and with the writers' aspirations! Under the situation of great vigor, great unity, and great prosperity, it is our binding duty to enliven our literary cause, set off an emulation drive in literature, and raise the standards of our works.

I had telephone conversations with several writers. Our voices quivered on the phone and we could not help holding back our joy and excitement. Prior to the congress our vigor had been boosted. We were surrounded with an atmosphere seething with great unity, and we could see the bright prospects of the great prosperity in literature!

As I am now advanced in years, I can hardly stand the cold weather. At this moment, however, I did not feel cold at all, although I just came from the south to the north where everything is covered with snow. Moreover, I put on the same clothes that I wore in the south. I removed my scarf, unbuttoned my coat, and quickly moved down the brilliantly illuminated and silent long avenue. I could only hear my own steps because very few vehicles passed by. Is it really the sound of my steps? I was extremely surprised and had a strange feeling. How could my steps be so brisk and forceful? Yes, it is truly the sound of my own steps! I marched rapidly forward along Changan Avenue and along the path taken by millions upon millions of the distressed and the happy Chinese people!

Article Hails Breakthroughs

HK030910 Beijing RENMIN RIBAO in Chinese 31 Dec 84 p 7

[Article by Li Cunbao: "Prelude to a Major Breakthrough in Literature and Art Begins"]

[Text] When the Fourth Congress of the Chinese Writers Association opened, an unprecedented gratifying and easy atmosphere prevailed among the writers in our country. The feelings of ease and joy came from Comrade Hu Yaobang's call to the literature and art circles to "bring their drive into full play, achieve great unity among them, and make literature and art flourish vigorously" and also came from the party's measures for "laying stress on overcoming and preventing the influence of 'leftism'" on the literature and art front.

Since the 3d Plenary Session of the 11th CPC Central Committee, the literature and art front has set things right and made unceasing efforts to shake off shackles of ultraleftist ideology. An enchanting spring scene with a hundred flowers blossoming has been ushered into the field of literature and art, which was devastated by the "gang of four." Chinese writers have been working hard in the literature and art garden and have made great and remarkable achievements.

No need for reticence, however. The minds of our literary and art workers have not been emancipated enough and their initiative and enthusiasm have not been fully aroused. This has affected the further emancipation of the "literary and art creation capacity" to a certain extent. An important reason for this state of affairs lies in the fact that the "leftist" ideas have not been thoroughly removed. Some comrades tend to overestimate the impact and role of literature and art, sometimes to a fantastic degree. In human history, whether in China or in other countries, there has never been a party or a state destroyed by a number of novels or films. In the course of literature and art development, it is unavoidable that good works may sometimes be mixed up with some bad works, as mud and sand may also be carried by flowing rivers and ugly weeds may also grow together with beautiful flowers. For Communists who follow dialectics, an important thing is to realistically and correctly distinguish the essentials from the nonessentials and the overall situation from partial problems. Due to the influence of "leftism" over many years in the past, some comrades are rather oversensitive to things in the field of literature and art. They often regard nonessential developments as the mainstream and often treat minor errors as serious problems. Historical experience taught us this lesson; only by "opening wide" can we bring a flourishing scene in the field of literature and art, and the method of "laying down restrictions" will never make things better. The important thing for art development is innovation, and innovators should be allowed to make mistakes and then correct them. We Communists should have such bearing and should be broad-minded enough. No such stupid thing as "giving up eating for fear of choking" can be continued.

Surely literature and art cannot be separated from political guidelines, but literature and art cannot be regarded as a pure appendage to politics. The character of literary and art works is to be faithful to life and to history; and the supreme mission of literature and art is to be loyal to and serve the people. Literature and art have manifold functions. The process of mental creation is extremely complicated. Literature and art must not function only as a tool for political policies; instead, they must develop freely according to their own characteristics and laws. Only thus can literature and art flourish. Only when writers have full freedom in writing can their personalities be emancipated and can they really write something worthy of the times.

As times advance to the present stage, in contrast with our great country, which has a population of 1 billion people and has 5,000 years of time-honored and splendid civilization, and with today's colorful and ebullient life in this period of major reform, the size of our writers' contingent is too small rather than too large; our policies for literature and art are not flexible enough rather than excessively flexible; the road for art creation is too narrow rather than wide enough; and the state of our mental emancipation is farther from meeting the needs than going too far. Our past experience, full of twists and turns, has repeatedly shown that only when the government functions well and the people enjoy peace can full-scale reconstruction be under way. Now, as the political and economic situation in our country is improving each day, we have every reason to believe that an epoch that gives birth to great works and great writers will come soon!

The historical mission of bringing about a literature and art renaissance has fallen on the shoulders of our writers living today, and every one of them may have realized the great significance of his responsibility. In particular, young literary workers, including myself, have also found immaturity when shouldering such a glorious task. However, after the supreme command lays down the grand and correct strategy, its fulfillment will depend on faithful and concrete implementation by all soldiers. We should join hands in strategic action by making sufficient "prewar preparations" and replenishing our troops with "ammunition and provisions."

The prelude to a widespread, in-depths, and manifold breakthrough in our literature and art has begun. Let us bring our drive into full play, unite as one, and advance to strive for victory.

Writers Liu, Wu Speak

HK040946 Beijing ZHONGGUO XINWEN SHE in Chinese 1325 GMT 3 Jan 85

[**"Liu Binyan and Wu Zuguang Say: 'Writers Should Value and Fully Use Freedom of Creation" -- ZHONGGUO XINWEN SHE headline]**

[Text] Beijing, 3 Jan (ZHONGGUO XINWEN SHE) -- Liu Binyan and Wu Zuguang, who attended the Fourth Congress of the Chinese Writers Association, spoke at today's meeting, stressing that writers should value the freedom of creation paid for in blood and should be good at fully using this freedom.

When the erroneous line was rife, Liu Binyan, aged 59, and 65-year-old Wu Zuguang were branded separately as a rightist and a counterrevolutionary. After they were rehabilitated, some of their works and frank statements were still frequently censured by those who stubbornly clung to the leftist stand.

In light of this personal experience and understanding, Liu Binyan said: The freedom of creation is an important question that concerns the life and death of literature and art. During the Great Cultural Revolution, there was a scene of desolation in the literary world, and many literary works that have emerged the last few years still tend to formalize and generalize. The fundamental reason for this state of affairs lies in the fact that writers have no freedom to write. He holds that one indication of the development and achievements of Chinese literature in recent years is that literary works are already imbued with a spirit of criticism.

Liu Binyan said: With freedom in their hands, writers are still confronted with the question of how to use it fully. They should regard this freedom as the result of the price paid by people of an entire generation. He emphatically stated: Refusing to depart the literary world, the "leftist" spirit has influenced literary creation to date. What is worse is that it has made some writers so timid they dare not touch on any major social contradictions in their works. Therefore, while valuing the freedom of creation, writers should also be bold in admitting their errors and making self-criticisms.

In his speech Wu Zuguang looked back at the bitter experiences of the persecution he and his wife, Xin Fengxia, suffered under the evil influence of "leftism." He said: To date Xin Fengxia still has lingering fears and worries that my speech at the meeting will invite additional misfortune.

Wu Zuguang said: Now the party has given writers the freedom to write. This indicates that the party has grown and become mature. However, we must on no account belittle "leftist" influences. It is true that if those without any expertise lead literature and art work, they will easily bludgeon and pin political labels on others. But if those who are highly knowledgeable of literature and art are in power and continue to indulge in all sorts of "leftist" things, the harm they bring will be far greater than that of the former.

When Wu Zuguang made this remark, playwright Cao Yu, who took a seat in front of the platform, could not help crying out again and again: "Marvelously well stated! Marvelously well stated!"

At this moment all participating representatives responded with warm applause.

Theorist Zhou Yang's Message

HK040850 Beijing ZHONGGUO XINWEN SHE in Chinese 1359 GMT 3 Jan 85

[Report by Zhen Qingru: "Zhou Yang Enjoys Ever-Growing Prestige Among Chinese Writers" -- ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 3 Jan (ZHONGGUO XINWEN SHE) -- Zhou Yang, 77, China's famous theorist on literature and art, is enjoying greater and greater prestige among China's writers of all ages. Zhou Yang could not appear at the opening ceremony of the Fourth Congress of the Chinese Writers Association, which was held in Beijing, because he was sick. However, when he called the congress to offer congratulations on its opening, the approximately 1,000 delegates attending gave him sustained applause.

In recent years, Zhou Yang has vigorously eliminated the serious disturbances caused by leftist ideas, adhered to the principle of seeking truth from facts, respected the writers' freedom to write, cherished gifted people, and won the trust and respect of writers.

On the afternoon of New Year's Day, the delegates attending the congress asked Feng Mu, chairman of the presidium of the congress, to pay a visit to the hospitalized Zhou Yang. When Feng Mu relayed their regards to Zhou Yang, the latter was moved to tears and said: This congress is very successful. Its influence will extend far beyond literature.

This evening, Liu Binyan, Bai Hua, Wu Zuguang, and several hundred writers signed a letter expressing their regards. They sincerely wished him a speedy recovery.

PENG ZHEN INSPECTS BEIJING CONSTRUCTION PROJECTS

OW030629 Beijing XINHUA Domestic Service in Chinese 1243 GMT 1 Jan 85

[By reporter Li Shangzhi]

[Text] Beijing, 1 Jan (XINHUA) -- Peng Zhen, member of the Political Bureau of the CPC Central Committee and chairman of the NPC Standing Committee, today inspected the three-element overpass, the second-stage subway project, and the new building of the Xiyuan Hotel in Beijing. He encouraged the responsible persons of the Beijing Municipal CPC Committee, the municipal People's Government, and other departments concerned to enthusiastically carry out reforms, and build the capital into a still better municipality.

Chairman Peng Zhen is a veteran leader of the people in the capital. Since February 1949, when Beijing was liberated, he has served as secretary and first secretary of the municipal CPC Committee and mayor of Beijing for a period of some 17 years, making significant contributions to the construction and development of this municipality.

In the past few years, he was especially concerned about building socialist material and spiritual civilizations in the capital. On today's inspection, he urged Comrade Li Ziming, secretary of the Beijing Municipal CPC Committee and Comrade Chen Xitong, mayor of Beijing, both accompanying him on the inspection, to further emancipate the mind, try to make a success of the reform, respect science, plan circumspectly, and give careful guidance to speeding up the construction of the capital and making it more beautiful.

Shortly after 1100 [0300 GMT], Comrade Peng Zhen arrived at the three-element overpass by minibus. On New Year's Day in Beijing, cold winds were blowing. Wearing no overcoat, Comrade Peng Zhen, who is 82 years old, stood for more than 10 minutes on the overpass. Briefed by Chen Xitong on the work of this project, which consists of three component overpasses, Peng Zhen said smiling: "This project is being built quickly. The quality of work is good."

After inspecting the three-element overpass, Comrade Peng Zhen went to Jianguomen to take a subway train, which carried him through the Yonghegong, Andingmen, Gulou, and Jishuitan Stations, and finally to the Xizhimen Station. On the train, he asked the responsible persons of the departments concerned about the details of construction and operations of the second-stage subway project. At Xizhimen Station, Comrade Peng Zhen saw a girl selling tickets at the ticket counter. He went forward to shake her hand cordially and ask her name. He asked if she felt cold working on such a freezing day, and how many tickets she sold daily. He also thanked her for persistence in working on the holiday to serve the people. When she recognized the kind old man standing there, and knew he was Comrade Peng Zhen, she could not help saying, again and again: "Thank you for your concern about us!"

At noon, Comrade Peng Zhen came to the new building of the Xiyuan Hotel. This building, located at Erligou, is noted for its fresh and unique style. The outer wall is of a jigsaw pattern, and is tall and beautiful, with a height of approximately 100 meters. It is a modern, high-class hotel, which opened in August 1984. Comrade Peng Zhen took the elevator to the revolving restaurant on the top floor. In the restaurant, which makes one revolution per hour, he had a bird's-eye view of the surrounding scene. Seeing the new look of the capital, with numerous high-rise buildings, Comrade Peng Zhen said with emotion: "The speed of Beijing's construction in recent years is not slow at all!" Then, he turned to Comrades Li Ximing and Chen Xitong and said: In planning for municipal construction from now on, it is necessary to be more foresighted and to think in greater depth. We should take into consideration the fact that, in the future, people need only work 7, 6, or even 5 hours a day, instead of 8 hours. In their spare time after work, they need recreation in addition to study. So, we should consider the need to let them have better recreational facilities.

When Chen Xitong said that balls were held in many hotels, Comrade Peng Zhen said: "I am in favor of social dancing. It is not only a form of recreation, but also physical exercise. What is wrong with it? Didn't we have the yangko dance in the past?" These words provoked everyone's laughter.

Comrade Chen Xitong said to Comrade Peng Zhen: "We are urging and encouraging people to learn foreign languages, because they are important instruments for doing a good job in international contacts." In great delight, Comrade Peng Zhen said: "This is very good. Foreign languages are very useful, if we are to achieve success in opening to the outside world." He encouraged the hotel attendants to make a serious effort to learn foreign languages, including English, French, Russian, and the languages of other countries. He said, humorously: "When you have mastered three different foreign languages, I shall return to extend congratulations to you." Hearing this, the hotel attendants laughed.

Other comrades accompanying Comrade Peng Zhen on the inspection were Wang Hanbin, secretary-general of the NPC Standing Committee; and Jia Chunwang, deputy secretary of the Beijing Municipal CPC Committee.

HU YAOBANG, LI XIANNIAN INSPECT TANGSHAN HOUSING

OW021451 Beijing XINHUA Domestic Service in Chinese 1227 GMT 31 Dec 84

[By reporters Wang Xingqiao and Zheng Zhanguo]

[Excerpts] Shijiazhuang, 31 Dec (XINHUA) -- Housing construction for Tangshan City residents hit by the earthquake made headway in a breakthrough manner this year. In 1984, 45,000 families in the city happily moved into new houses, exceeding the original plan by 50 percent.

Since May this year, central leading comrades including Hu Yaobang and Li Xiannian visited Tangshan one after another and made proposals for speeding up construction work and solving residents' housing problems in the city.

At present, effective measures are being taken in the city so that by the ninth anniversary of the earthquake on 28 July next year most of the 300,000 families who are still living in temporary housing units will have moved into new houses.

XU XIANGQIAN, OTHERS CELEBRATE NEW YEAR

OW030430 Beijing XINHUA Domestic Service in Chinese 1552 GMT 1 Jan 85

[Text] Beijing, 1 Jan (XINHUA) -- Xu Xiangqian, Hu Qiaomu, Chen Pixian, and Xu Shiyu celebrated New Year's Day along with leading comrades of local party, government, and Army organizations as well as other people in Guangzhou, Hangzhou, and other places.

On the morning of 1 January, responsible comrades of Guangdong Province and the Guangzhou Military Region paid a New Year call to Marshal Xu and briefed him on last year's work. Marshal Xu joyfully said: The economic situation in the country is very good, and tremendous achievements have been made in the economic reform. As in Zhu Jiang where the waves behind push on those before them, so your province of Guangdong has done better one year than another. A responsible comrade of Guangdong Province told Marshal Xu that the PLA units under the Guangzhou Military Region had done much work and made tremendous achievements in supporting local construction. A leading comrade of the military region reported to Marshal Xu that the PLA units would make continuous efforts to support the economic construction of the country in various fields this year. Marshal Xu said: Comrade Xiaoping recently stressed that the Army should be subordinate to the interests of national construction and make great efforts to support national economic construction. This is a glorious task for the Army in the new historical period.

I. 4 Jan 85

K 10

CHINA
PRC NATIONAL AFFAIRS

The purpose of our Army has always been to obey the leadership of the party and to be subordinate to the interests of the whole. This is determined by the nature of our People's Army. The Army should organize forces to vigorously support local economic construction and go all out to do what can be done.

Comrade Hu Qiaomu went to the 10th Company of the Guangdong Provincial People's Armed Police group to extend festival greetings to the members of the company and wished that they would make bigger achievements in the New Year.

Comrade Chen Pixian joined a large number of cadres and people at a get-together in Hangzhou last evening to greet the New Year of 1985.

Comrade Xu Shiyu attended a New Year's Eve soiree sponsored by the Jiangsu Provincial and Nanjing City People's Governments. He watched entertaining programs along with cadres and people.

XI ZHONGXUN, WANG ZHEN VISIT ARTS EXHIBITION

OW030140 Beijing in Mandarin to Southeast Asia and South Pacific 0900 GMT 31 Dec 84

[Text] On the afternoon of 29 December, Xi Zhongxun and Wang Zhen, members of the Political Bureau of the CPC Central Committee, visited the Sixth National Fine Arts Exhibition presently held in Beijing.

Xi Zhongxun praised highly the diverse styles manifested in the nearly 900 fine arts works on display. He said that China's fine arts are now in a great thriving period. He encouraged the artists to boldly blaze new trails and called on old painters to make all-out efforts to foster new ones in the fine arts circle.

When noted artist Wu Zuoren mentioned that now many foreigners like Chinese paintings, Xi Zhongxun said: Chinese artists may increase their exchanges with members of fine arts circles in foreign countries. They may hold more exhibitions abroad.

At the exhibition Xi Zhongxun paid special attention to the 75 works by artists in Hong Kong and Macao. In the future it will be more convenient to conduct exchanges with Hong Kong, and more works from there can be brought in and included in exhibitions.

The works shown in this exhibition were carefully selected from among some 3,000 works displayed at the exhibition held previously in nine big cities of our country. The works in this exhibition will be appraised, and the 20 best ones will be selected as gold medal winners.

TIAN JIYUN OPENS MARINE PRODUCTS EXHIBIT

OW300215 Beijing XINHUA in English 0243 GMT 30 Dec 84

[Text] Beijing, December 30 (XINHUA) -- An exhibition of processed aquatic products on sale, the first of its kind ever held in the country, opened at the Beijing Technical Exchange Center Saturday.

On display are more than 28,000 kinds of processed aquatic products from over 300 corporations and enterprises in 18 provinces, municipalities and autonomous regions throughout the country. More than 1,200 kinds are for sale.

Vice-Premier Tian Jiyun cut the ribbon at the opening ceremony. Minister of Agriculture, Animal Husbandry and Fisheries He Kang and other leading members visited the exhibition on the opening day.

The exhibition provided a good chance for Beijing citizens to buy sea food for the New Year Festival; visitors can buy on the spot various kinds of handily packaged frozen fish, prawns, shellfish and other aquatic products.

The dried shelled shrimps from Fujian Province, fine dried noodles processed with marine algae from Liaoning Province, and aquatic baby food from Dalian, and Shanghai's canned anchovy, among others, attracted much attention soon after the exhibition got under way. The exhibition will close on January 12.

LEADERS ATTEND NATIONALITIES MEETING 30 DEC

OW301818 Beijing XINHUA Domestic Service in Chinese 1208 GMT 30 Dec 84

[By reporters An Zhonghuang, Xu Guangyao]

[Text] Beijing, 30 Dec (XINHUA) -- The closing ceremony of the meeting to commend advanced collectives and individuals in promoting unity of people of all nationalities in the capital took place at the Great Hall of the People today.

Ulanhu, Yang Dezh, Zhang Tingfa, Chen Muhua, Hao Jianxiu, Liu Lantao, Jiang Hua, Duan Junyi, Ngapoi Ngawang-Jigme, Bainqen Erdini Qoigyi Gyaincain, Rong Yiren, Kang Keqing, Burhan Shahidi, and leading members of departments concerned attended the closing ceremony. They also posed for a picture with the representatives.

Ulanhu addressed the meeting. On behalf of the CPC Central Committee and the state Council, he extended his warmest congratulations to the meeting, and hoped that new and still greater victories would be achieved in promoting national unity and other work among people of all nationalities in the capital.

Banners, certificates and souvenirs were presented to 88 advanced collectives and 193 advanced individuals at the meeting.

In a proposal, the meeting urged people in Beijing to earnestly implement the "Decision of the CPC Central Committee on Reform of the Economic Structure"; to make urban economic reform a success; to carry out the party's policy toward nationalities; to uphold national unity, equality, and mutual assistance; to respect freedom in religious beliefs of all nationalities; to strive to promote national minorities' economic, cultural, educational, and public health development; and to train energetically people of minority nationalities to become qualified personnel needed for the four modernizations.

Addressing the meeting on behalf of the Beijing Municipal CPC Committee and the municipal government, Li Ximing, secretary of the Beijing Municipal CPC Committee, urged everybody to work in accordance with the guidelines set forth by the 3d Plenary Session of the 12th CPC Central Committee, and achieve new progress and success in promoting unity and other work among people of all nationalities so that flowers of national unity will blossom in all parts of the capital.

Ulanhu Speaks

OW210034 Beijing XINHUA Domestic Service in Chinese 1252 GMT 30 Dec 84

[Text] Beijing, 30 Dec (XINHUA) -- Speech at the National Capital Unity Commendation Meeting, 30 December 1984, by Ulanhu.

Delegates, comrades: At a time when people of all nationalities in the country are proudly ushering in 1985, it is highly significant to convene this grand meeting in Beijing to commend the advanced collectives and individuals on all fronts in the capital who have contributed to national unity. On behalf of the CPC Central Committee and the State Council, allow me to extend to you my warmest congratulations, my lofty respect for all delegates attending this meeting, and my cordial regards to people of all nationalities in the capital!

This meeting is a meeting of heroes unprecedented in the history of the capital's nationality work. It signifies a new historical stage for the grand unity of people of all nationalities in the capital. During the meeting, you have seriously studied the instructions of the party Central Committee and the State Council on nationality work and national unity; summed up and exchanged experiences in implementing the policy toward nationalities and in strengthening national unity; and discussed specific measures for strengthening the capital's nationality work. What you have done will play a tremendous role in mobilizing the positive factors of people of all nationalities, in expediting the capital's reform of the economic structure, and in achieving the grand objectives set by the 12th party congress.

Beijing is a city with the largest composition of national minorities in the country. People of the nation's 56 nationalities, especially those of Hui and Han nationalities, whose numbers are relatively large, can all be found working, studying, and residing in Beijing. Party committees and governments at all levels in Beijing have always attached great importance to nationality work and national unity. Although nationality work was disrupted during the decade of internal turmoil, good relations among people of all nationalities have been reinstated and developed, and national unity strengthened, after the crushing of the "gang of four," and especially after the 3d Plenary Session of the 11th CPC Central Committee. This can be attributed to the party's policy toward nationalities, which has been earnestly implemented. On an equal footing, delegates and cadres of minority nationalities have been taking part in the management of state and local affairs. Political equality of minority nationalities residing in various parts of the capital has been fully protected. Their customs, habits and religious beliefs are respected and preserved, and the standard of their material and cultural life have also been improved. The capital's nationality work today is one of the most successful ones since the founding of the Republic 35 years ago.

Comrades: The grand objective that the total value of the nation's annual industrial and agricultural output shall be quadrupled by the end of this century, and that our country shall be built into a culturally advanced and highly democratic socialist country, was set by the 12th party congress. The "Decision of the CPC Central Committee on Reform of the Economic Structure" was also adopted by the 3d Plenary Session of the 12th CPC Central Committee last October. The general objective and general task of people of all nationalities in the country today is to be resolute in carrying out the reform, revitalizing the economy, and building a socialist society with distinctive Chinese characteristics. Nationality work is an important part of this general task. Comrade Mao Zedong pointed out that unification of our country, unity of our people and unity of our various nationalities are the basic guarantees of the sure triumph of our cause. Beijing has a population of nearly 10 million, and although there are only 320,000 people of minority nationalities here, we must nevertheless exert great efforts in carrying out education in national unity. Organs affiliated directly with the Central Committee, state organs, the Military Commission, various headquarters, and military units in Beijing have achieved significant successes in carrying out the party's policy toward nationalities and in safeguarding the great unity of all nationalities as well as the four modernizations drive in the capital. They should continue working hard to achieve new future successes. In the course of the four modernizations drive, I hope people of all minority nationalities in the capital will continue to exercise their individual superiorities and make new contributions to developing nationality education, training all types of professional and technical personnel of minority nationalities, promoting traditional culture and art with distinctive characteristics of various nationalities, and enlivening the market and enriching people's lives in the capital by providing all kinds of foods and drinks and engaging in agricultural and sideline production -- all with typical flavor of various nationalities.

Doing a good job in uniting with people of minority nationalities residing in various parts of Beijing has been a major feature and important aspect of Beijing's nationality work. Although the percentage of people of minority nationalities is small in Beijing, as it is in other parts of the country, they are broadly representative. What should be especially noted is the fact that Beijing is where outstanding people of minority nationalities concentrate and many of them are experts, scholars, and well-known personages with influence at home and abroad. Therefore doing a good job in uniting with them is highly significant. The party Central Committee and the State Council hope that, following this meeting, propagation and education on the party's policy toward nationalities and on national unity can be carried out more broadly and penetratingly in Beijing, that the work of promoting national unity will become an important, long-range project in building a spiritual civilization in Beijing so that new and still greater victories can be achieved in promoting national unity and other work in Beijing.

Delegates, comrades: The year 1984 will soon be over, and the New Year is around the corner. In recalling the past and looking forward, we are fully confident that we have the courage to win victories.

The party's policy of enlivening the domestic economy and opening to the outside world, and the decision of restructuring the economic system adopted by the 3d Plenary Session of the 12th CPC Central Committee, are warmly supported by people of all nationalities at home and widely acclaimed internationally. We have won victories on all fronts. We firmly believe that people of all nationalities will achieve still more brilliant successes in their united struggle during the New Year.

Finally, I wish this meeting complete success, and I wish you all a happy New Year, good health, and success in work.

LI PENG SPEAKS ON REFORM OF RAILWAY OPERATION

OW220623 Beijing XINHUA Domestic Service in Chinese 1416 GMT 21 Dec 84

[By reporter Huang Fengchu]

[Text] Beijing, 21 Dec (XINHUA) -- Li Peng, vice premier of the State Council, pointed out at a national conference on railways today that reform of the railway departments must closely center on the objective of achieving better economic results and increasing railway transport capacity.

Li Peng said: In reforming the railway departments, attention must be paid to giving full play to the characteristic that railway operations are highly centralized and that railways must be operated according to economic laws. While correctly upholding the principle of centralized unity, we should delegate greater decision-making authority to enterprises. The more enterprises are enlivened, the more the railways can bring their uniqueness into play. By doing this, the operation of our railways will both be centralized and full of vigor and vitality.

Li Peng pointed out: Railway transport departments and railway factories should adopt the contracted system of economic responsibility and carry out the policy of combining administrative measures with functions of economic levers to increase transport capacity, income, and profits. Regarding capital construction, railways should be built with greater, faster, better, and more economical results by substituting bank loans for government allocations, and by investing in construction projects through contract systems or bidding systems. To develop railway transportation, we should raise funds through various channels, encourage the local authorities to build railways, and let them operate those railways and set their own rates of operation.

Li Peng said: During the period of the Seventh 5-Year Plan, we should, while building new railways, rebuild the old ones to tap their potential and increase their transport capacity. From now on, we should abandon the idea of building a separate railway network, highway network, and air transport network. We should rather stress building a comprehensive transportation network, a network linking railways, highways, and air transport, so that a scientifically operated network of transportation will be installed in the country.

Li Peng hoped that railway departments should continue to improve their operation and adopt effective measures to achieve gradual changes for the better in work style. He also urged the railway departments to be strict in enforcing disciplinary measures, operate in a united and cooperative manner, and provide quality service.

HU QILI INSPECTS SHEKOU INDUSTRIAL DISTRICT

HK040746 Beijing JINGUI RIBAO in Chinese 10 Dec 84 p 1

[Dispatch by special correspondent Han Yaogan: "Hu Qili Inspects Shekou"]

[Text] Shenzhen, 5 Dec -- Hu Qili, member of the Secretariat of the CPC Central Committee, inspected Shekou today. He told the cadres here that since the 3d Plenary Session of the 12th CPC Central Committee, the reform situation has been fine and the pressure put on them has diminished. However, he said that they must be vigilant. He told them that when people spoke ill of them in the past, they held their ground. He said that when people put in a good word for them now, they should stand firm. When people praise them to the skies, they must have the courage to say: "There are still many problems." In short, they should be able to withstand both pressure and flattery.

When talking about the reform, Hu Qili said that the functions of the state organs in managing the economy must be reformed satisfactorily, otherwise success we have attained in the economic reform will be reversed. In the past the state organs wielded very great power in managing the economy. They wanted to exercise control over everything, which, in fact, they could not carry out satisfactorily. Seeing that they had both power and money, people wanted to have a hand in everything. As a result, they could not exercise effective control.

After visiting "Sea World," the telecommunications company, the container plant, and Chiwan Port in the Shekou Industrial District, he said: When I came here last year, there was still a vast expanse of unexploited beach in many places, with several cranes here and there. How quickly things have changed! You have attained satisfactory economic results, and there will be still greater changes within a few years. At noon, Hu Qili had lunch with a group of former Qinghua University students who are now administrative cadres in the industrial district. He encouraged them by saying: You have made some contributions, but you must continue to carry out your work cautiously and conscientiously. The reform carried out in Shekou exerts a great influence on the whole country.

Yuan Geng, vice chairman of the China Merchants' Steamboat Navigation Co. in Hong Kong, and secretary of the CPC Committee and concurrent director of the management committee of the Shekou Industrial District, said: The young men of today are very active ideologically. Sometimes they cannot help saying a wrong word or making mistake, but we must care for them. Hu Qili said: I agree with you. We should not regard the creative ideas of some young men as unorthodox opinions, but praise to the skies the people who flatter us. Sometimes the youths may make mistakes, but we should help them summarize experience and lessons.

BO YIBO HAILS NEW ADMINISTRATIVE STUDY SOCIETY

OW031832 Beijing XINHUA Domestic Service in Chinese 1159 GMT 31 Dec 84

[Excerpts] Beijing, 31 Dec (XINHUA) -- The preparatory group for the China Society of Administrative Studies -- a society to be dedicated to the study of a new discipline -- was founded at a meeting in Beijing today.

I. 4 Jan 85

K 16

CHINA
PRC NATIONAL AFFAIRS

Extending his congratulations, Bo Yibo, vice chairman of the Central Advisory Commission, stressed that the society should focus its attention on improving our country's administrative system, on solving the problems in the labor, personnel, and other systems, and on studying the establishment of a personnel administrative system that is compatible with our country's actual situation. Zhang Youyu, vice chairman of the Law Committee of the NPC Standing Committee, said at the founding ceremony that the society's focus of research should be such major issues as reform of the state's administrative system and the legal system because such reforms will help expedite socialist modernization.

Reporting at the meeting, Jiao Shanmin, chief of the preparatory group of the Society of Administrative Studies, said that the 12th party congress' policy on restructuring China's entire national economy, focusing on the urban economy, will become the guiding thinking for the study of administration and the society's work.

The society's major project for 1985 is: Studying how government organizations can correctly and effectively give scope to their functions in administering the economy.

Wu Qingtong, Xia Shuzhang, and Wang Shuming are deputy chiefs of the preparatory group. Leading members of the General Office of the CPC Central Committee, General Office of the State Council, Organization Department of the CPC Central Committee, the Ministry of Labor and Personnel, and other departments concerned were present at the meeting, during which the preparatory group of the society was founded.

WAN LI, LI PENG CABLE DATONG POWER PLANT WORKERS

OW291211 Beijing XINHUA Domestic Service in Chinese 0856 GMT 27 Dec 84

[Text] Beijing, 27 Dec (XINHUA) -- Vice Premiers Wan Li and Li Peng jointly sent a telegram a few days ago to the construction workers of the Datong Second Power Plant to warmly congratulate them on the completion and operation of the plant's generator No 2 more than 4 months ahead of schedule.

Their telegram says: "We extend our warm greetings to all staff and workers who took part in the construction of the Datong Second Power Plant. We hope you will make persistent efforts to operate generators No 1 and 2 safely and to their full capacities as well as to achieve greater success in attaining the goal of operating each generator for 6,000 hours a year." The Datong Second Power Plant is a key state project. It has six power generators each with a generating capacity of 200,000 kw. Generator No 1 was put into operation on 30 June this year. Generator No 2 came on line 11 December.

WAN LI, FANG YI AT PARTY FOR RETURNING SCIENTISTS

OW300302 Beijing XINHUA Domestic Service in Chinese 1653 GMT 29 Dec 84

[Text] Beijing, 29 Dec (XINHUA) -- The State Science and Technology Commission and other units gave a grand New Year reception this evening at the Great Hall of the People for earlier and recently returned Overseas Chinese scientists and their wives and Overseas Chinese scientists who returned to work on temporary basis, and their wives.

Wan Li, Fang Yi, Hu Qili, Yan Jici, Zhang Jingfu, and others attended the reception and conveyed sincere solicitude and greetings to the participants on behalf of the party Central Committee and the State Council.

Comrade Wan Li spoken highly of the contributions made by Overseas Chinese, experts and scholars of the Chinese nation, and their economic construction in various fields through various forms. He said that they had helped the motherland expand the scope of scientific research and fill in gaps in some fields, become the backbone in scientific research and teaching, made significant achievements in advanced international levels within a short period, and dedicated their efforts to the building of the four modernizations.

Wan Li said: In line with the needs of promoting the four modernizations, working and living conditions will be constantly improved at home to welcome more Overseas Chinese, experts and scholars to come back to work in the country. In 1985, we will further implement the policy of invigorating the domestic economy and opening to the outside world and accelerate the restructuring of the national economy as a whole with the focus on the urban economy. Wan Li hoped that they would offer their assistance in this respect and expressed his belief that scientists at home and abroad would be glad to give full play to their abilities in promoting national prosperity and the peaceful reunification of the motherland.

This evening's reception was held jointly by the State Science and Technology Commission, the Office of Overseas Chinese Affairs under the State Council, the Ministry of Education, the Chinese Academy of Sciences, and the China Scientific and Technical Association.

Also attending the reception were responsible persons of departments concerned including Song Jian, Liao Hui, He Dongchang, Lu Jiaxi, and Zhou Peiyuan as well as noted American scientists Chen Ning Yang and Man-chiang Niu, totaling more than 600 people.

XUE MUQIAO ADDRESSES GUIDANCE PLANNING SEMINAR

HK281600 Beijing ZHONGGUO XINWEN SHE in Chinese 0728 GMT 2 Dec 84

[Text] Fuzhou, 27 December (ZHONGGUO XINWEN SHE) -- "Our present principle for reforming the planned management system is to reduce the scope of mandatory planning and expand the scope of guidance planning and market regulation to an appropriate degrees." This is the main point of the speech by Chinese economist Xue Muqiao at a seminar in Fuzhou on China's guidance planning.

The national seminar on guidance planning was jointly sponsored by the China Planning Society, the research center for the planned economy under the State Planning Commission, and the Institute of Planned Economics. The 5-day seminar was attended by more than 100 experts and scholars from all parts of the country, as well as responsible people of the planning departments of some provinces, autonomous regions, and municipalities.

Xue Muqiao said: The previous planned management system in China laid stress on vertical management in each industry and did not coordinate the horizontal relations between different industries.

This system is no longer suited to the present situation of economic development. We should make efforts to change the old economic management system which severs economic ties between different trades and between different localities. We should gradually develop horizontal economic ties, reestablish economic networks with cities as their centers, and encourage localities to give play to their respective advantages and to lend mutual assistance so as to seek common development.

Xue Muqiao emphasized that guidance planning must rely on the use of various economic levers, and particularly on following the law of value. The most important, flexible, and convenient economic means are the readjustments of prices and taxes and the use of credit.

Xue Muqiao proposed that regional economic cooperation projects be adopted. For example, a large Shanghai economic zone (including southern Jiangsu Province and the Hangzhou-Jiaxing area of Zhejiang Province), the southwest economic zone centered on Chongqing, and the Zhujiang delta economic zone centered on Guangzhou could be established. Through these loosely organized zones for economic cooperation, a horizontal planned management system could be shaped gradually.

WAN LI ON PROVIDING PEASANTS MORE INFORMATION

HK030902 Beijing RENMIN RIBAO in Chinese 1 Jan 85 p 2

[Article by Wan Li: "Provide the Peasants With More Knowledge and Information Services -- Suggestions on Properly Running NONGMIN RIBAO"]

[Text] Today, ZHONGGUO NONGMIN BAO has been officially changed to NONGMIN RIBAO. This is the first nationwide peasant newspaper in the history of China. This happy event, which reflects the needs of China's current rural economic development as well as the pressing demands of the vast numbers of peasants, merits congratulations. As the editorial department asked for my opinions on running this newspaper well, I think the key to running this newspaper well is to provide more services for the peasants, particularly in knowledge and information.

At present China's agriculture is shifting from self-support and semi-self-support production to large-scale commodity production and from traditional to modernized agriculture. In order to effect this change, it is necessary to break with the traditional idea of the small peasant economy and to establish a scientific and modern rural production structure. It is therefore necessary for the vast numbers of peasants and rural cadres to have educational, economic, scientific, technological, and management knowledge of a certain level so as to meet the needs of commodity production. In a word, the key to the development of commodity production is intellectual resources. It would be impossible to enliven the rural economy without the talented people required correspondingly. In the course of developing commodity economy, more knowledge and production fields mean easy access to prosperity. NONGMIN RIBAO should meet the needs of the rural situation and should try by every means to provide services to improve the peasants' quality and to enhance their knowledge.

The newspaper can conduct a great deal of work in this respect. For example, it can widely publicize all kinds of useful knowledge; link up the developments of various localities in exploiting intellectual resources by means of news reports; introduce the experience of scientific research units, universities and colleges, enterprises, and institutions in providing knowledge and technical services for the rural areas; commend exemplary figures who have studied assiduously, improved their intelligence, and courageously forged ahead and blazed new trails; and so on.

Our press should give full play to the role of public opinion and foster a fine general mood in society in which the cities make earnest efforts to pass on knowledge and send gifted people to the rural areas, and the various advantages in the rural areas are utilized to enhance knowledge and train talented people. Everyone should be mobilized to do his best for the exploitation of intellectual resources in the rural areas.

For the rapid development of the commodity economy, producers and managers must have general and scientific knowledge of a certain level and be well-informed so that they can use the information to obtain better economic results. In some areas where the commodity economy has developed relatively quickly the peasants have attached great importance to economic information. "Information means vitality, resources, and money" has become the talk of the town. Like bees searching for nectar, many peasants are looking for the information they need. The newspaper should do its best to satisfy the peasants' demands in this field and should become the front for transmitting information.

There is much information needed by the peasants. They involve the important decisions and new policies on rural work made by the CPC Central Committee, results of economic and technical coordination in different places, new production fields exploited in the rural areas, the use and implementation of agro-technical knowledge, advanced techniques and managerial experiences, and the readjustment of production, supply, and sales, as well as trends of the market. Having quick access to information means production increases, prosperity to individuals and flourishing business to enterprises. NONGMIN RIBAO should collect information from various sources and promptly and accurately publicize them so that the peasants can gain a good deal of enlightenment and benefit.

ZHONGGUO NONGMIN BAO, published after the 3d Plenary Session of the 11th CPC Central Committee, made its due contribution to the implementation of the party line, principles, and policies, and particularly to the publicity of the system of contracted responsibilities with payment linked to output. We hope that NONGMIN RIBAO, which is published after the 3d Plenary Session of the 12th CPC Central Committee, will better serve as the party organ and the peasants' intimate friend and make new contributions to the development of the rural commodity economy and to agricultural modernization.

STATE COUNCIL BANS INDISCRIMINATE BONUSES

OW301349 Beijing XINHUA Domestic Service in Chinese 0740 GMT 29 Dec 84

[Text] Beijing, 29 Dec (XINHUA) -- The State Council on 28 December issued a circular to the people's governments of all provinces, autonomous regions, and municipalities directly under the central government and the various ministries, commissions, and other organs directly under the State Council. The circular calls on them to resolutely stop their institutions from indiscriminately issuing bonuses, allowances, or bonuses in kind.

The State Council circular noted that it is necessary to issue some bonuses within the limits of regulations in order to inspire enthusiasm in the workers and staff of institutions of scientific research, design, and higher learning. It is also proper to issue bonuses of an appropriately larger, even significant, amount to an individual who has really achieved an invention or creation and made great contributions. It is learned, however, that at present the practice of the reckless issuance of bonuses, allowances, or bonuses in kind is very serious, and the practice is showing signs of getting even worse in some institutions.

Many units are competing in the practice, resulting in higher and higher ceilings and more and more pretexts for such rewards. In some units, the sources of funds used for these purpose are also questionable. If this practice remains unchecked, it is bound to cause undesirable consequences and chain reactions and will become extremely detrimental to our efforts to have party style and social trends take a turn for the better. To effectively stop the institutions from recklessly issuing bonuses, allowances, or bonuses in kind, the State Council set forth the following rules in its circular:

1. All institutions must strictly abide by the state regulations and rules on the issuance of bonuses and allowances. No unit or individual is permitted to arbitrarily broaden the limit or raise the ceiling for such issuances, not to mention inventing pretexts for issuing bonuses or allowances. A department in charge of an institution should carry out supervision and inspection in accordance with state regulations and guard against supporting the institution in the practice under any pretext or against arbitrarily giving a green light to its uncontrolled issuance of bonuses and allowances. Where a violation is committed, an investigation will be carried out to affix responsibility on the leaders concerned and the individuals involved. Disciplinary measures will be taken if the case is serious.
2. All institutions must strictly observe the regulations concerning the financial system and management of cash and make sure that all income and expenses are entered in the account book. It is not permissible to transfer budgeted income as unbudgeted income, retain the portion of income destined for the state treasury as a unit's own income, or keep unauthorized petty cash for unbudgeted discretionary disbursements. All units should seriously take stock of their petty cash in connection with this year's yearend final accounting and dispose of it in accordance with the relevant state regulations.
3. Bonuses and allowances issued in excess of the limits set by the state should be paid back by exactly the same excess amount. If the repayment cannot be made in the same year, the unpaid amount may be deducted from the bonus and allowance to which one is entitled in the next year. Bonuses in kind should be computed as cash according to their original prices and counted as part of the total amount of a bonus.
4. Any unit that violates the previously mentioned rules to continue to recklessly issue bonuses and allowances will be subjected to a review during next year's wage reform to see if it should be made to contribute more toward its share of the fund for wage payments or if the excess amount it used as bonuses and allowances should be deducted accordingly from the target amount of its capital increase.
5. All localities, departments, and units should act in accordance with the stipulations in this circular to carry out, in conjunction with party rectification, and investigation into their institutions' practice of recklessly issuing bonuses, allowances, and bonuses in kind. Any unit or individual that has seriously violated state regulations should, after the violations have been investigated and verified as true, be dealt with in the eye of the public. Auditing offices, labor and personnel departments, and financial departments at all levels should investigate the key cases. The units concerned must make truthful reports on what they have found without concealing any facts. The people's governments of all provinces, autonomous regions, and municipalities directly under the central government and all State Council departments should send a report to the State Council about their investigations and the actions to be taken.

COMMENTATOR ON IMPROVING QUALITY OF GRAIN

HK030904 Beijing RENMIN RIBAO in Chinese 28 Dec 84 p 2

[Commentator's article: "Attach Importance to Improving Quality of Grain"]

[Text] In recent years bumper crops have been reaped successively. With the problem of having enough to eat solved, there rises the new problem of the requirement to eat better.

At present low-quality grain such as polished long-grained nonglutinous rice is kept in stock in large quantities in many places, while good quality rice people favor and grains other than rice and wheat and varieties of beans needed as staple food varieties are in short supply. The general situation is that the quality of grain and the structure of varieties have failed to meet the changes in the consuming structure.

The few varieties of grain and their low quality are due chiefly to the shortage of grain over a long period of time in the past, when in planning for grain production, it was unavoidable to "attach more importance to the output of grain rather than its quality." Now that changes have taken place in the economic situation in both the urban and rural areas and the situation of a shortage of grain has taken a turn for the better, it is high time for such an old concept to undergo some changes.

The impetus for improving grain quality also lies in the fact that the purchase and marketing of grain will gradually be opened, with some grain of the peasants sold freely through the markets, and a buyers' market will appear. The situation where "there is no worry about the outlet for grain or whether its quality is good or bad" will hardly be able to continue. The supply and marketing of grain will be carried out by means of the market on the part of the selling party in particular; those of superior quality will survive and those of inferior quality will go. We must have a clear understanding of the situation and attach importance to improving the quality of grain.

In order to improve grain quality, it is primarily necessary to strengthen the work in grain seed; we must popularize seeds of good quality that are high-yielding and resistant to all unfavorable growing conditions in all aspects such as variety, seed selection, examination, testing, breeding good strains, and popularization, and we must refrain from seeking seeds that are high-yielding only in a one-sided way. It is necessary to select and breed some varieties that are suitable to the needs of specialization based on the ever-growing needs in the variation of food and beverage of the masses. In price policy it is necessary to implement the policy of fixing prices according to quality, allowing higher prices for good quality products, and to bring into play the initiative of the peasants in producing good quality grain through economic means.

JIANGXI COMPLETES GOVERNMENT-COMMUNE SEPARATION

OW01222 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 29 Dec 84

[Text] Our province has combined its work in separating government administration from commune management and establishing township governments on the one hand. Based on experiences gained from experiments at selected units, the work was launched extensively in April and May this year. As of mid-December, the work of separating government administration from commune management and establishing township governments had been fully completed. The province has established 1,666 townships, 144 towns, and 20,004 villagers' committees. Towns and townships have formed CPC committees and economic organizations at their respective levels.

In establishing townships, leaders at all levels followed the democratic line of encouraging mass participation and acted in strict accordance with the law. After repeated deliberations at all levels, they finally picked township heads and deputy heads, and candidates for villagers' committee members by secret ballot. As a result of the elections, township heads and deputy heads are younger in average age than the original commune directors and deputy directors by 3 to 4 years. Many professionally trained cadres with pioneering spirit and college and secondary technical education have been recruited into town and township leading bodies. Meanwhile, many outstanding personnel have been selected or recruited to work at organizations at the township level without interfering with their regular work. This has reformed the structure of cadre ranks and prevented cadres from holding their posts for life.

The number of cadres of villagers' committees and villagers' groups has respectively decreased by about 20 and 50 percent from those of the original production brigades and teams. Fewer cadres have resulted in considerable reductions in regular and other subsidies. This has, in turn, alleviated the people's financial burden, strengthened and improved party leadership, thereby initially changing the situation where the CPC committees and government offices would meddle with enterprise management instead of minding their own business, and promoting the development of grassroots party organizations ideologically and organizationally.

SU YIRAN ON SHANDONG SITUATION, FUTURE TASKS

SK310315 Jinan Shandong Provincial Service in Mandarin 2300 GMT 29 Dec 84

[Text] On the morning of 27 December, Su Yiran, secretary of the provincial CPC Committee, spoke on the province's situation this year and its tasks for next year at a plenary meeting of the Fourth Plenary Session of the Fourth Shandong Provincial CPC Committee. Comrade Su Yiran pointed out: There have been four major characteristics in the development of Shandong's situation this year. First, the focus of the economic reform has shifted from rural areas to urban areas, and the economic responsibility system with contracts as its major form is being extensively applied. This has effectively aroused the initiative of enterprises and staff members and workers. Second, party rectification has been launched comprehensively in stages and groups. This has effectively promoted economic construction and other undertakings. Third, some of the work which was static for a long period of time has regained vitality. Fourth, economic construction is distinctly more vigorous than before, and economic results are distinctly better than before.

Comrade Su Yiran said: Accompanying the further development of rural reform, the gradual introduction of urban reform and the further opening to the outside world are new achievements in industrial and agricultural production which has shown fairly great growth and has been carried out in a down-to-earth manner.

The growing speed and the economic results of production have improved simultaneously. It is estimated that the province's industrial and agricultural output value may reach more than 74 billion yuan this year, more than an 11-percent increase over last year.

Comrade Su Yiran said: In reviewing the development of this year's situation, we should clearly see our problems and where we lag behind. In the speed and results of economic development, our province still lags rather far behind the national average and other advanced provinces and municipalities.

Comrade Su Yiran pointed out: One of the important things adversely influencing our province's economic development is that our leading persons have yet to further emancipate their minds; and their views on economic development, especially the work of enlivening the domestic economy and opening to the outside world are not broad enough; they lack a creative and pioneering spirit and adequate knowledge of economic information; and they do not have farsightedness in their work. The provincial CPC Committee has failed to give guidance to the work of its departments by focusing on the general situation of submitting to and serving the four modernizations, and to supervise the work effectively.

Comrade Su Yiran said: The reason we point out the problems in our work is to remind everybody to solve them of their own accord so that the province's economic construction and other work can develop faster and better next year and in the future.

On next year's tasks, Comrade Su Yiran said: We should focus on four major tasks next year. They are to carry out overall economic reform with the focus on the urban economy; to work out the outline for the Seventh 5-Year Plan; to continue party rectification; and to further readjust leading bodies at all levels. For reform of the economic structure, it is most important that we grasp the spirit of the CPC Central Committee's decision on the reform of the economic structure, clearly understand the major points, and clarify the guidelines. When we formulate the Seventh 5-Year Plan, we should base ourselves on the figures we actually realize during the Sixth 5-Year Plan period, including 1985, in setting forth targets and growth speed. The general fighting goals are to set forth a target of 8 percent annual increase with a view to realizing the 100-percent-increase target a year ahead of schedule; and to focus on the construction of the six major bases of agriculture, energy, chemical industry, building material, consumer goods, and foreign trade and tourism so that our province can become one of the important bases of the country in these six fields and can make good preparations and lay a solid foundation for overall development in the latter 10 years and for enriching the people and making Shandong prosper, and to strive to fulfill the quadrupled target.

On party rectification, Comrade Su Yiran said: In line with the guidelines of the CPC Central Committee and the practice of the province's first-stage party rectification, we should particularly grasp the following four points. First, we should pay close attention to study in the entire party rectification period. Second, we should investigate and handle serious bureaucratic and other unhealthy trends while conducting economic reform, and persistently carry out rectification and correction of mistakes simultaneously. Third, we should continue education on thoroughly negating the Great Cultural Revolution and step up the work to check the three types of persons. Fourth, we should regard the Great Cultural Revolution as a product of given historical conditions, analyze our party members and cadres with an attitude of historical materialism, avoid metaphysics and leftist methods, and never create a new aftermath.

On readjusting leading bodies at various levels, Comrade Su Yiran said: The major work for the present is to further examine, select and train young cadres, successfully build the third echelon, and create favorable conditions vigorously for building a high-education, high-intelligence, and low-age structure in leading bodies.

Comrade Su Yiran also spoke on the province's economic construction next year. He said: The general requirements for next year's economic work are to carry out reform emphatically, achieve new breakthroughs in both speed and economic results, and to see to it that growth in the output value of agriculture and industry and in revenue falls no lower than this year's level while striving to make it higher than that of this year.

Comrade Su Yiran stressed: The year 1985 will be the first year for overall reform of the economic structure, and the last year of the Sixth 5-Year Plan period. Promotion of next year's work will be very important to the overfulfillment of the Sixth 5-Year Plan, to the prefulfillment of the 100-percent-increase target, and to the creation of a new situation in all fields in our province. Our tasks for next year are very arduous and there is a great amount of work to be done. Therefore, we should use the time to make overall preparations, meticulous arrangements, and give guidance; give full play to the initiative and the spirit of responsibility of all quarters; use our brains to solve problems independently; promote our work in all fields with active but prudent steps; and create a new situation in socialist modernization.

SHANGHAI URGES MORE POWER FOR ENTERPRISES

0W311110 Shanghai JIEFANG RIBAO in Chinese 27 Dec 84 p 4

[Excerpts] In an effort to make every industrial and communications enterprise truly a relatively independent economic entity and a self-managing socialist producer and business venture responsible for its own profits or losses and capable of self-transformation and self-development, the Shanghai Municipal CPC Committee and People's Government has stressed the need of quickly enforcing the State Council's 10-point regulation and the municipal government's 12-point regulation on enlarging the enterprises' decisionmaking power. The committee and government also called for popularizing the experience gained in instituting four auxiliary reform measures on a trial basis in order to speed up the reform.

In accordance with the instruction of the municipal CPC Committee and government, the municipal Office for Restructuring the Economic System, the municipal Office for Enterprise Consolidation, the CPC Committee of the Municipal Industrial Departments, and the municipal Economic Commission held a cadres meeting at the municipal stadium yesterday afternoon. The meeting dealt with further enlarging the decisionmaking power of the state-run industrial enterprises.

Wang Daohan, secretary of the municipal CPC Committee and mayor; Ruan Chongwu, secretary of the municipal CPC Committee and vice mayor; Huang Ju, member and secretary general of the Standing Committee of the municipal CPC Committee; and Zhu Zongbao, vice mayor, attended the meeting.

Zhao Dingyu, secretary of the municipal Industrial Departments CPC Committee, presided over the meeting. Vice Mayor Zhu Zongbao made a speech. Vice Mayor Zhu Zongbao reviewed the progress in consolidating and reforming Shanghai's enterprises and put forward the major tasks and demands for next year.

REN ZHONGYI INTERVIEWED ON GUANGDONG REFORM

HK040549 Beijing CHINA DAILY in English 4 Jan 85 p 3

[By Luo Qing]

[Text] Ren Zhongyi, first secretary of the Guangdong Provincial Party Committee, told a recent conference in Guangzhou that the province should choose people with proven professional skills in its search for new talent.

"We should not look only at their diplomas, but must look first at their track records," he said in a speech at a year end meeting of the Guangdong Talent Recruitment Institute.

He said Guangdong -- a province opening to the outside world under specially-favoured economic terms -- needs more trained personnel to develop its economy and trade.

A top party leader of the southern China province since October 1980, Ren told CHINA DAILY in an interview at Shenzhen that Guangdong has succeeded in saving money by reforming its economy.

But the reforms ran into obstacles in 1982. A nationwide campaign against economic crimes attacked the provincial government for allowing profiteering and speculation to occur at lower levels. Ren said he took the blame to protect people at the grassroots so that the reforms could continue.

When the rural economy began to pick up under the new policies, transporting goods became a problem, especially between Shenzhen and Guangzhou where nine water channels obstructed passage and land crossing was impossible. At Ren's initiative, the channels were filled with stones. When the job was finished, local people threw the customary handfuls of rice over the officials as an expression of gratitude. The event will be featured in a new film "Bridge."

In 1982, a shortage of chickens occurred in Guangzhou and some cadres proposed that every family sell one chicken to the local government to ease the demand. At mass gatherings, the farmers insisted on selling as many chickens as the market demanded and earned enough money to buy what they needed.

Results of new policies in the province are reflected in statistics. In the past five years, annual gross agricultural output rose to 4.7 billion yuan (\$1.6 billion). Foreign trade was introduced in 1980, resulting in a gain of 7.72 billion yuan (\$2.7 billion) for the province with 5.07 billion yuan (\$1.7 billion) of this turned over to the central government. Meanwhile, customs revenue from the coastal cities amounted to 3.2 billion yuan (\$1.1 billion). In the same five years, new hotels and restaurants were constructed, adding another 36,000 beds.

Ren summarized his three major achievements of the past four years: opening up to the outside world; greater co-operation between more developed and less developed areas; and reform of management.

ENLARGED MEETING OF HENAN MILITARY DISTRICT ENDS

HK031506 Zhengzhou Henan Provincial Service in Mandarin 1030 GMT 3 Jan 85

[Text] The enlarged meeting of the Henan Military District CPC Committee which recently concluded, demanded that all PLA units and the militia of the whole military district mainly do well the following aspects of work this year:

1. Teach all PLA units and the militia of the whole military district to seriously study and understand Comrade Deng Xiaoping's instructions at the forum of the Military Commission and firmly establish the idea of making the work of the PLA units accord with and serve the state's overall situation in economic construction;
2. Organize the PLA units to continuously and penetratingly carry out the activities of the Army-people joint effort to build the two civilizations and contribute to economic construction in manpower, material resources, and financial resources;
3. Vigorously mobilize the militia to take part in the reform of the economic structure, strive to develop commodity production and vigorously organize the militia in disaster areas to help those in difficulty and the poor to provide for and help themselves by engaging in production;
4. Make rational arrangements for the work of the PLA units and militia work, particularly militia work, with stress laid on the central work of the CPC Committees and governments of the localities, persist in proceeding from realities, and take such measures as are suitable to local conditions to endeavor to lighten the masses' burdens.

HUBEI URGES PARTY TO RECRUIT MORE INTELLECTUALS

HK310821 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 28 Dec 84

[Text] This morning, at a meeting held by the organizational department of the provincial CPC Committee on admitting intellectuals into the party, Shen Yinluo, deputy secretary of the provincial CPC Committee, pointed out that it is necessary to take effective measures and remove obstacles to the admission of a great number of intellectuals into the party and to make rapid progress in this work in the near future.

Since the 3d Plenary Session of the 11th CPC Central Committee, CPC organizations at all levels in the province have done a lot of work in order to admit outstanding intellectuals into the party and have achieved some results. However, the situation of the average cultural level of party members being low and the low percentage of young party members has not yet been thoroughly changed. This situation fails to meet the needs of our task in the new period. Therefore, Comrade Shen Yinluo demanded that CPC committees and organizational departments at all levels resolutely eliminate the leftist influence, eradicate outdated ideas, and raise their consciousness in doing a good job in admitting intellectuals into the party. From next year, a system will be established throughout the province of obtaining a name list of those intellectuals applying to join the party at each level. Through the establishment of this system, we can know clearly how many intellectuals wish to join the party in each unit and are able to show concern for every intellectual who wishes to join the party. We must resolutely oppose the methods of refusing to admit intellectuals into the party, delaying their admission, and leaving things unsettled in admitting intellectuals into the party. We must grasp the inspection and implementation of the policy toward intellectuals and the strengthening of the building of leading organs in grassroots party organizations. Any problem should be resolved immediately. It is necessary to properly cultivate and educate intellectuals according to their strong points so as to ensure the quality of new party members. It is necessary to galvanize all parts into action to make the work a success. The CYL, Overseas Chinese Affairs, Science and Technology, Culture, Education, Public Health, and Propaganda Departments must, in connection with their own work, actively cultivate outstanding intellectuals and recommend them to join the party.

Present at the meeting were responsible comrades of CPC committees of all large factories, mines and colleges and universities in Wuhan, and chiefs of organizational or political sections of all units of the organs directly under the provincial authorities.

(Xie Yunjian), director of the organizational department of the provincial CPC Committee, presided over the meeting. (Zhong Shuqiao), deputy director of the Organizational Department of the provincial CPC Committee, communicated the spirit of the forum held by the organizational department of the CPC Central Committee on the work of admitting intellectuals into the party.

Commentary on Admitting Intellectuals

HK310823 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 28 Dec 84

[Station "short" commentary: "Adopt Measures and Grasp Well"]

[Text] Properly carrying out the work of admitting intellectuals into the party is an important strategic task confronting CPC organizations at all levels. The success of this work can upgrade the cultural level of party members, bring about a general mood of respecting knowledge and talented people, and strengthen the building of the party.

Since the 3d Plenary Session of the 11th CPC Central Committee, the province has done quite a lot in admitting intellectuals into the party. The number of intellectuals have increased year by year, and the quality of party members is also good. However, this fails to meet the requirements of the new task in the new period. It has been learned that of all the existing party members in the province, those who have reached the cultural level of senior middle graduate, secondary technical school graduate, or university graduate account for only 16.8 percent, whereas those who are illiterate or reach the cultural level of a primary school graduate account for 51.4 percent. In some units and places, the problem of outstanding intellectuals finding it difficult to join the party has not yet been resolved. Some have failed to pay attention to admitting intellectuals into the party for quite a long time. Some have failed to show concern for intellectuals who applied to join the party so that the intellectuals who were basically qualified to be admitted to the party have been excluded from the party for a long time. This indifference toward intellectuals must be eradicated.

While earnestly studying and implementing the spirit of the 3d Plenary Session of the 12th CPC Central Committee at present, we must eliminate the leftist influence and realize the importance and urgency of admitting a great number of intellectuals into the party, formulate effective measures according to the requirements of the CPC Central Committee and the provincial CPC Committee, and genuinely and earnestly implement the important instruction of the Secretariat of the CPC Central Committee on paying attention to resolving the problem of admitting outstanding intellectuals into the party, so as to promote the work in other fields. Only thus, can the building of our party member contingent further meet the needs of the four modernizations and can our party genuinely become a powerful core in leading the construction for socialist modernization.

HUNAN INVESTIGATES WRONGFUL USE OF ELECTRICITY

HK040115 Changsha Hunan Provincial Service in Mandarin 0000 GMT 4 Jan 85

[Text] According to RENMIN RIBAO reporter Wu Xinghua, the Hunan Provincial CPC Committee has decided to send a joint group from the provincial Discipline Inspection Commission and the provincial government to Hengyang today to investigate and deal with problems of using electric power in pursuit of private interests by the Hengyang electric power departments.

On 12 December, RENMIN RIBAO published a report on how certain units and individuals in the Hengyang electric power departments were using electric power in pursuit of private interests and harming the interests of consumers. This caused a strong reaction in Hengyang City and throughout the province. Zhang Haifeng, head of the Hunan liaison group of the Central Commission for Guiding Party Rectification, and responsible comrades of the provincial CPC Committee and Discipline Inspection Commission attached extremely great importance to this matter. They held: We must regard solving the problem of using electric power in pursuit of private interests as an important content of party rectification in the electric power departments. We must grasp major and serious problems and deal with them severely. They also demanded that the party rectification office of the provincial CPC Committee send more forces into the electric power departments to handle party rectification there and spend some time in achieving tangible results.

The provincial Discipline Inspection Commission then rapidly dispatched an adviser to Hengyang to find out the situation, and a joint investigation group was formed on 2 January.

HUNAN MEETING ON SECOND-STAGE RECTIFICATION

HK040143 Changsha Hunan Provincial Service in Mandarin 0000 GMT 4 Jan 85

[Text] On New Year's Eve, the provincial CPC Committee held a meeting of prefectural and city CPC Committee secretaries in Changsha to make arrangements for launching second-stage party rectification work in the province. The meeting held: First-stage party rectification in the province has basically reached its predicted goal. The basic methods applied in this stage have been successful. The meeting stressed five questions in doing a good job of the second stage:

1. The guiding ideology for party rectification. The rectification must be closely centered on accomplishing the general task and goal set by the 12th CPC Congress, and must spur the economy and the reforms, which must in turn test rectification.
2. Timing for the second stage. In general the stage will be divided into two groups, each group taking 1 year.
3. The main problems to be solved in the second stage. As in the first stage, it is necessary to fully accomplish the tasks of unifying thinking, rectifying work style, purifying organization, and strengthening discipline stipulated by the CPC Central Committee decision on party rectification. It is essential to focus on the key point, that of unifying thinking.
4. Measures and methods for rectification.
5. Strengthen organizational leadership over party rectification.

SICHUAN READJUSTS ENTERPRISE LEADERSHIP GROUPS

HK031600 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 1 Jan 85

[Text] According to SICHUAN RIBAO in line with the demands of the CPC Central Committee on the building of the leadership groups of backbone enterprises, the relevant leading departments of various places in our province have practically strengthened their leadership and adopted methods such as appropriate guidance and keypoint assistance. In only 2 to 3 months, leadership groups in 119 out of 150 medium-sized and large backbone enterprises have been readjusted according to the needs of the four transformations.

After being readjusted, both the age and education structures of the leadership groups in these enterprises have undergone great changes. According to statistics, the number of leading cadres in the party and government organizations is now 73 less than that before the readjustment. On average, there are 5.7 people in the leadership group of each enterprise, while the average age of the leadership groups is 3.8 years younger than before. Cadres with a tertiary education or better account for 76.5 percent; in particular the educational standard of the factory directors and party secretaries has been greatly raised.

In the process of readjusting the leadership groups of these backbone enterprises, everywhere in the province attention has been paid to diplomas, but still more attention has been paid to practical working abilities. After being studied and approved by the provincial CPC Committee, some former leading comrades who have less education, but strong spirits to further their studies and rich management experiences and relatively strong organizing abilities as well can still remain in the newly established leadership groups. There are no advisors installed in the new leadership groups. The departments responsible for the work in the enterprises and the departments of higher level responsible for organizational work have made proper arrangements for the comrades who have retired from the former leadership groups.

SICHUAN INCREASES SPECIALIZED HOUSEHOLDS

HK010233 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 31 Dec 84

[Text] According to SICHUAN RIBAO, specialized households developed rapidly in the province during the year, with the number reaching 2.63 million, representing 13 percent of the total number of rural households. There has been a continual increase in the numbers of specialized households engaged in forestry, sideline occupations, developmental production, and the circulation field. Economic combines are rising everywhere.

The encouraging thing is that many specialized households are now advancing on new fields of production. They engage in operations spanning more than one level, settle down in the small country towns, and operate tertiary industry in the urban areas. No matter from which angle they are viewed, the specialized households, with their very high commodity production rate, have become a vital force in the province's rural commodity production.

In the wake of the development of commodity production, the demand for various industrial crops and forestry, animal husbandry, sideline, and fisheries products has stimulated changes in the structure of agriculture. The rise of rural commodity production has spurred reforms in the circulation setup. Open-style urban and rural markets served by a variety of channels and with few connecting links are now forming. The speed of development of township and town industries which use agricultural and sideline commodity products as their main raw materials has also been rapid.

In 1984 the output value of these industries reached 6.5 billion yuan, and their growth recorded the fastest rate in the past 5 years.

YUNNAN BUREAUS PROTECT SPECIALIZED HOUSEHOLDS

HK030908 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 1 Jan 85

[Text] Public security organs at all levels in the province have taken effective measures to protect the legitimate rights and interests of specialized households, key households, and economic combinations so that they can put their minds at ease to get rich.

Since the 3d Plenary Session of the 11th CPC Central Committee, various specialized households, individual operators, and economic combinations have appeared in the province, thus raising new tasks for public security work. Public security organs at all levels in the province have given full play to their functional role by vigorously supporting the two households and one combination and protecting their legitimate rights and interests.

Public security organs in Chuxiong Autonomous Prefecture in particular have dispatched working groups to the rural areas to conduct an overall investigation of specialized and key households, have solicited their opinions on the work done by public security organs in protecting their rights and interests, recorded all their information, and properly carried out their work.

Many police substations in the rural areas have signed contracts with specialized households on security work. They have grasped education on public security, ferreted out hidden perils, and plugged holes to protect the security of specialized households.

Some public security organs treat protecting the interests of specialized households as a part of the policeman's post responsibility system and have effectively carried out this work.

In addition, public security organs at all levels have given priority, if possible, to investigating and solving various cases of encroaching upon the legitimate rights and interests of specialized households and have often hit hard at criminals.

One day in September a specialized household from Xundian County was robbed in Yiliang. The comrades of the Yiliang County Public Security Department went into action without delay and cracked the case, disregarding hardship and fatigue. They arrested the criminal very soon. Since the beginning of this year, there have been six cases of robbing specialized households in the area administered by Rongjiang police substation in Huaping County, but all cases have been solved by now.

BELJING GUANGMING CHINESE MEDICINE COLLEGE OPENS

HK040444 Beijing GUANGMING RIBAO in Chinese 22 Dec 84 p 1

[Report by reporter Li Jiajie: "Guangming Correspondence University of Traditional Chinese Medicine Inaugurated in Beijing"]

[Text] After a year-long preparation, the Guangming Correspondence University of Traditional Chinese Medicine sponsored by GUANGMING RIBAO was officially inaugurated in Beijing on 18 December.

Comrade Li Desheng, and Cui Yueli, minister of public health, were inaugurated as honorary presidents of the university. Jiang Yizhen, member of the Central Advisory Commission, and Tong Lusheng, adviser of Academy of Military Sciences, were inaugurated as general advisers. Lu Bingkui, vice president of the All-China Association for Traditional Chinese Medicine, and Wang Enhou, former party secretary of the CPC Committee of the Research Institute of Traditional Chinese Medicine, were inaugurated as presidents of the university.

Huang Huoqing, member of the Standing Committee of the Central Advisory Commission, said at the opening ceremony: "Traditional Chinese medicine is in great demand in the medical and health fields. The regular colleges and institutes of traditional Chinese medicine cannot meet the needs of society for qualified personnel in traditional Chinese medicine. Opening a correspondence university is a good way to solve the problem. I support the opening of the Guangming Correspondence University of Traditional Chinese Medicine."

On behalf of the CPC Central Committee Propaganda Department, Zeng Delin, deputy head of the CPC Central Committee Propaganda Department, attended the inaugural meeting and congratulated the founding of the correspondence university. He pointed out: "The correspondence university will contribute much to the development of traditional Chinese medicine."

According to comments from traditional Chinese medicine circles, the characteristics of the correspondence university are that it has a clear educational purpose, it provides rationally designed courses and highly qualified teaching staff, and its textbooks have all been compiled by experts and scholars who have rich clinical experience and profound knowledge on the theories of traditional Chinese medicine.

With full confidence, Lu Bingkui said at the ceremony: "With such good conditions, the correspondence university will enable the broad masses of students to reach the standard of tertiary education, and it is hoped that the correspondence university will produce a number of well-known doctors of traditional Chinese medicine."

The comrades who attended and spoke at the ceremony included: Zhang Zhenhuan, vice minister of the Commission of Science, Technology and Industry for National Defense; Tian Fu, member of the Secretariat of the China Association for Science and Technology; Tian Jingfu, deputy director of the Department of Traditional Chinese Medicine of the Ministry of Public Health; Yu Ruomu, member of the Research Office under the Secretariat of the CPC Central Committee; Fang Yaozhong, deputy head of working Group for Health and Medicine under the CPPCC and a researcher of the Research Institute of Traditional Chinese Medicine; Professor Wang Jingzhi, deputy director of the Academic Committee of the Beijing College of Traditional Chinese Medicine; Professor Cheng Huanong of the Research Institute of Traditional Chinese Medicine; Cao Yonglian from the PLA General Political Department; Wu Junyu, deputy chief of the Beijing Public Health Bureau and a doctor of traditional Chinese medicine at the deputy director level; and Professor Yang Jiasan of the Beijing College of Traditional Chinese Medicine.

The inaugral meeting was held in the CPPCC Auditorium. Liu Aizhi, deputy editor in chief of GUANGMING RIBAO and Yin Sen, advisor of GUANGMING RIBAO, presided over the meeting and delivered speeches.

Some experts in traditional Chinese medicine from 25 provinces, cities, and autonomous regions such as Jiangsu, Jilin, Jiangxi, Shanghai, Tianjin, Hebei, Heilongjiang, Fujian, Guangdong, Guangxi, Hubei, Shandong, and Gansu sent congratulatory letters to Guangming Correspondence University of Traditional Chinese Medicine.

LI LIGONG AT SHANXI RALLY TO IMPROVE PARTY STYLE

SK280607 Taiyuan SHANXI RIBAO in Chinese 8 Dec 84 p 1

[Excerpts] With specific assistance and guidance from the inspection team of the Central Discipline Inspection Commission over the past 10 months, party organizations in Linfen Prefecture have led the masses of cadres and people to learn from Yuncheng Prefecture to its south to realize a remarkable improvement in party style, and to learn from Yanbei Prefecture to its north to double its agricultural production. A Linfen prefectural rally marking a remarkable improvement of party style in the great Pingyang area was held ceremoniously in Linfen City from 28 to 30 November to sum up the work of correcting party style and to commend the advanced. At the rally, the Linfen Prefectural CPC Committee commended and awarded 65 comrades who had made outstanding contributions in investigating and handling cases.

Ma Guorui, secretary of the Central Discipline Inspection Commission, Li Ligong, secretary of the provincial CPC Committee, and Zhang Jianmin, Standing Committee member of the provincial CPC Committee, made a special trip there to attend the rally. Leading cadres of party, government, and Army departments at the prefectural and county (city) levels, and leading cadres of mass organizations, totaling more than 1,800, attended the rally.

Over the past 10 months, the inspection team of the Central Discipline Inspection Commission and the prefectural CPC Committee have directly attended to 16 major cases. These cases have been investigated and have been or are being handled. Cases involving state cadres, particularly leading cadres at and above the county level, who embezzled state and collective funds to build houses for private use have also been basically investigated and handled. A total of 1.09 million yuan was embezzled or used as illegal loans, of which 880,000 yuan has been recovered and more than 1 million yuan has been paid back for the use of the land. More than 16,000 letters and visits of the masses were handled and 293 major cases investigated and solved. A great number of advanced persons who made contributions to correcting party style have emerged while investigating and handling the cases.

Ma Guorui, secretary of the Central Discipline Inspection Commission, spoke at the rally. He said: Under the leadership of the provincial CPC Committee, the former Linfen Prefectural CPC Committee implemented the line, principles, and policies adopted since the 3d Plenary Session of the 11th CPC Central Committee. It corrected the mistake of exaggerating the "checking" work, reversed the verdicts of a number of unjustified, wrong, and framed-up cases, instituted the responsibility system in agricultural production, developed to a certain extent the industrial and agricultural production, and did certain work to correct party style. However, it had some serious problems. Due to the influence of the Great Cultural Revolution, and unhealthy organizational activities, the former leading body was weak and lax. Some leading persons abused their authority for personal interests, and set a bad example in building houses for private use in violation of regulations. Some defied principles, overlooked certain things to stay on good terms with people who had conducted bad deeds, and even shielded them. Some heeded and trusted only one side and had problems in thinking and work style. Some were corrupt, violated law and discipline, and committed crimes.

Because the leading body of the former prefectural CPC Committee had an incorrect party style itself and was weak and lax, it dared not attend to and correct unhealthy trends and law and discipline violations and thus encouraged unhealthy trends among party members and cadres. And in society, it caused many problems, and dampened the enthusiasm of cadres and the masses in building the "four modernizations."

Comrade Ma Guorui urged leading bodies at all levels to learn from these experiences and lessons, give first priority to making themselves revolutionary, be honest and upright, and serve the public wholeheartedly. In this way, they will have the courage to tackle difficult problems and improve party discipline, and achieve successes in fundamental improvement of party style.

Li Ligong, secretary of the Shanxi Provincial CPC Committee, also spoke at the rally. He said: Showing great concern for the work of our province, the Central Discipline Inspection Commission sent a work group led by Comrade Liu Liying to Yuncheng Prefecture to handle cases last year, and gained a successful experience of "investigating cases, attending to party style, and consolidating leading bodies." The experience of Yuncheng Prefecture has actively promoted the province's work of improving party style and its production. This year, the Central Discipline Inspection Commission once again sent an inspection team to Linfen to help improve party style and promote production, thus correcting party style and developing economic work. The inspection team of the Central Discipline Inspection Commission not only applied Yuncheng's experience to Linfen but also developed it into a new situation. This is a very valuable experience. We should earnestly sum it up and apply it to the whole province.

SHANXI COMMENTARY DISCOURSES FRAUDULENT STATISTICS

HK040446 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 1 Jan 85

[Station commentary: "Uphold Seeking Truth From Facts and Guard Against Boasting and Exaggeration and Making Fraudulent Reports"]

[Text] In 1984 agricultural production in our province resulted in an all-round bumper crop and the situation in the rural areas was even more excellent than previous years. Amid the triumphant sounds of gongs and drums we must keep cool-headed; in counting up figures to report to higher bodies, and particularly those three major figures on total grain output, total agricultural output value, and the income of peasants, we must be extremely honest, strictly avoid boasting and exaggeration, and strictly avoid making fraudulent reports. This is no longer the time for launching satellites at will; and the idea that the fields can yield as much grain as people dare to say has long become the laughing stock of history.

However, now some comrades still have not seriously drawn lessons from the past. Some of them work superficially and roughly and in a slurring way and rely on conjecture and estimates to report figures to higher bodies; and some of them dishonestly increase figures in order to receive praise and awards, take the credit, and seek rewards for someone else's achievements. How many leaders were coaxed and how many people were cheated by all of these, resulting in serious consequences?

Our party always advocates seeking truth from facts, and after the 3d Plenary Session of the 11th CPC Central Committee, the ideological line of seeking truth from facts was established. It is owing to the adherence to this ideological line of our party that we have been able to do better work in each year in recent years. At present the more excellent the situation is, the more we should avoid boasting and exaggeration and guard against making fraudulent reports.

Doing work in a superficial way, stooping to deception and fabrication, engaging in boasting and exaggeration, and deceiving superiors and deluding subordinates is a kind of unhealthy trend that has sprung up amid the new situation. If we do not resolutely guard against and rectify this, it will do enormous damage to the cause of our party and impede the smooth progress of economic structural reform.

Now is time to work out our year-end statistics. It is hoped that party committees at all levels and leading responsible comrades of the government will, like the Lin County CPC Committee, strengthen leadership over the work of annual reports, earnestly put into effect the law of statistics, strengthen investigation work, adopt effective measures, and realistically and practically safeguard the authenticity of the statistics. Those people who practice fraud, employ trickery and juggle accounts must be investigated, held responsible, and severely dealt with.

TIANJIN'S NI ZHIFU GIVES NEW YEAR ADDRESS

SK040328 Tianjin City Service in Mandarin 1430 GMT 31 Dec 84

[Text] The following is the new year radio speech by Ni Zhifu, member of the CPC Central Committee Political Bureau and secretary of the Tianjin Municipal CPC Committee.

[Begin recording] Fellow comrades and friends: Upon the arrival of 1985, I, on behalf of the Tianjin Municipal CPC Committee, the municipal People's Congress Standing Committee, and the municipal People's Government, hereby extend my highest consideration to workers, peasants, intellectuals, and cadres at all levels who have contributed to the four modernizations, and also extend holiday greetings to the people across the municipality and the PLA commanders and fighters stationed locally. In the past year, the municipality made great progress in the socialist modernization drive. The people across the municipality conscientiously studied the decisions adopted by the 3d Plenary Session of the 12th CPC Central Committee. The reform of the entire economic structure focusing on the urban economy developed, [word= indistinct].

New achievements were scored on all fronts and in all professions and trades. The total industrial output value was estimated at 25 billion yuan, a 9-percent increase over the previous year, prefulfilling by 1 year the target set by the Sixth 5-Year Plan. Rural economic output value reached (?3.7) billion yuan, a 15.9-percent increase over the previous year, doubling the figure of 6 years ago. The per-capita income target was overfulfilled. New situations emerged in industrial and agricultural production, which indicates that the municipality will be able to quadruple the industrial and agricultural output value ahead of schedule. The educational, scientific, and technological work played an important role in promoting economic construction. Remarkable achievements were scored in urban construction. Residences with a total area of 3 million square meters were newly built. China's second subway system was completed, and opened to traffic and transport in Tianjin. Construction of the Nanshi Restaurant Mall was completed. Except for the failure of the popularization of color television in rural areas due to the lack of supply, all other 19 major projects planned at the beginning of 1984 for improving the people's livelihood have been completed satisfactorily.

The first stage of party rectification developed soundly, and remarkable achievements were scored. The party style and the general mood of society were further improved. Profound changes took place in the people's ideology, concepts, and life-style. Workers, peasants, and intellectuals across the municipality supported the reform, opened up new fields, and created new sources of livelihood with the sense of being the master of their own affairs and the spirit of working hard for the prosperity of the country.

It became the regular practice among the broad masses of youths to look forward to the future, study general knowledge, and endeavor to gain professional proficiency. Amid the trend of reform, good people and deeds shining with the light of communist ideology emerged increasingly. Such work methods as paying attention to experiments, stressing efficiency, and [words indistinct] are present in both urban and rural areas. All these situations show that in the past year, we scored gratifying achievements in building not only material civilization, but also socialist spiritual civilization. All these achievements resulted from the implementation of the correct line, principles, and policies formulated by the CPC Central Committee, and from the hard and concerted efforts of the 8 million people of the municipality.

Fellow comrades and friends, the CPC Central Committee recently decided to build Tianjin into an economic center and [words indistinct] a trade port city with advanced technologies, flourishing industry and commerce, and prosperous culture. This is a very magnificent and heartening goal. The year 1985 is very important to the four modernizations of Tianjin. We must attend to the various items of work for 1985 in line with the four tasks set forth for the new year by the CPC Central Committee, and strive to basically fulfill the task of reforming the urban economy in 5 years. This is the arrangement of the CPC Central Committee.

In the upcoming new year, we must implement in depth the decision adopted at the 3d Plenary Session of the 12th CPC Central Committee, accelerate the pace of conducting reforms among economic systems as a whole by focusing on the reform of the urban economy, and strive to score marked achievements in the new year. The central link of urban reform is to enhance the vitality of enterprises. This means that efforts should be made to enliven large and medium-sized industrial enterprises throughout the municipality. Efforts should be made to adopt resolute measures to release power that enterprises may enjoy in order to enable enterprises to be truly brimming with vigor. By involving ourselves in various fields, we should create a new situation in urban construction and actively implement the principle of enforcing the open-door policy. Efforts should be made to vigorously practice education and conduct reforms in science and technology and agriculture in order to improve rural industries and others. By taking advantage of the current favorable opportunity under which the municipality has enough grain and cotton, a good job should be done in bringing about a change in the agricultural, industrial, and labor force structures in order to achieve a situation in which cooperation between urban and rural areas, (?exchange of funds), mutual development, and day-to-day prosperity prevail.

Being successful in preparing well for the Seventh 5- Year Plan and implementing the overall plan of municipal development is another major task in economic work in 1985. In line with the plans, we should make some preparations in a planned and step-by-step manner for the tasks in the period before 1990 and should reserve our strength for the economic target in the last 10 years of the century in order to fulfill our fighting goal in an overall manner. The departments concerned of our municipality have done a great deal of research work and have offered a large number of proposals and plans. We should continue to solicit opinions from various circles and collect technical appraisals from various fields in order to work out correct policy decisions. It is hoped that every comrade will show concern for the major task in this regard. (?Every institute and scientific unit or laboratory) should be clear about the policy and remove any (?puzzle) in suggesting ways and means to commonly formulate the blueprint for building the new Tianjin Municipality.

In 1985, the municipality will carry out party rectification work in an overall manner at the county level. People throughout the municipality should pay great attention to the work in this stage. We must conduct education on straightening out the guiding ideology of professional work, totally negating the Great Cultural Revolution, and wholeheartedly serving the people.

Efforts should be made to thoroughly block the malpractices of seeking personal gains by taking advantage of power and of serious bureaucracy, to resolutely eliminate three-type elements, and to strive to achieve a fundamental turn for the better in party style. Only in this way can we avoid letting the municipal people down. We should make efforts to foster fine morale in which everyone respects knowledge and talented personnel. Efforts should be made to practically train and employ the new successors of the generation in order to vigorously use existing forces to strengthen or reinforce the leading bodies at all levels to be more vigorous, imbued with more knowledge, and stronger in (?construction spirit).

In improving the livelihood of both urban and rural people, the municipal CPC Committee and the municipal People's Government are holding discussions on this topic, planning to continuously render service to and do solid work for the people. In 1985, the municipality will build new urban houses that cover not less than 3 million square meters, of which a large number of apartments will be built in order to solve the (?housing shortage of industrial enterprises). From 1985 on, [passage indistinct] new plans will be worked out for building overpasses and broadening road surfaces in order to improve the traffic jam situation to a greater extent. In the next 3 years, all-out efforts should be made to strengthen the building of highways in rural areas and to strive to enable all villages throughout the municipality to be connected with highways, as well as to gradually improve or broaden the (?existing highways). We should ensure the supply of milk and eggs to fill the needs of the people. The services mentioned above should result in a marked change in order to enable the people throughout the municipality to improve their livelihood markedly.

The central task of socialism is to improve the people's productive force. In the new year, we should focus our work on economic construction, try in every possible way to organize the industrial and agricultural production well, and vigorously promote the technical transformation and progress, in order to ensure the stable development of the national economy. Leading organs at all levels should immediately shift their work to serve the development of production, the vitalization of enterprises, and the prosperity and happiness of the society, and to help the people become better off. Tianjin's people are valiant and industrious. Efforts should be made to mobilize the enthusiasm of the people across the municipality. [passage indistinct] I would like to work hard together with the 8 million people of Tianjin to fulfill the tasks of the new year, and to build the new Tianjin well.

I wish you a happy New Year; Thank you! [end recording]

GANSU COUNTY PARTY LEADER 'DEMOCRATICALLY' ELECTED

HK040159 Lanzhou Gansu Provincial Service in Mandarin 2300 GMT 3 Jan 85

[Text] The Tianshui Prefectural CPC Committee has carried out a procedure for democratically choosing and electing a county CPC Committee secretary in Liangdang County. (Wu Zhongtian), former deputy secretary of the county CPC Committee, has been elected secretary.

Liangdang County is a place of high mountains and deep valleys. Conditions are arduous. In the past the county CPC Committee secretaries there were all assigned from above. Most of them were unhappy there, and there were frequent transfers. Proceeding from the county's realities, the Tianshui Prefectural CPC Committee decided to democratically choose and elect from among the existing party-member cadres a comrade who loved Liangdang and was determined to transform it, to be county CPC Committee secretary. After full preparation, the cadres taking part in the process of democratic choice and election, acting in the spirit of being responsible to the party and to the people of the county, chose and elected Comrade (Wu Zhongtian) as secretary. (Wu) had been deputy secretary since 1983. He is familiar with conditions in the county and energetic in work. The Tianshui Prefectural CPC Committee discussed the election, and approved it. The provincial CPC Committee also gave its approval.

QINGHAI PARTY COMMITTEE HOLDS PLENARY SESSION

HK300301 Xining Qinghai Provincial Service in Mandarin 1100 GMT 29 Dec 84

[Excerpts] The Sixth Qinghai Provincial CPC Committee held its third plenary session from 24 to 28 December. Zhao Haifeng, Huang Jingbo, Ma Wanli, Huanjuecailang, Liu Feng, and other leading comrades attended the session. The participants seriously discussed and adopted the views of the provincial CPC committee on the CPC Central Committee decision on reform of the economic structure.

In order to invigorate the enterprises, the provincial CPC Committee proposed: It is essential to resolutely separate government and enterprise functions. Government organs must correctly carry out their main functions in managing the economy as stipulated in the decision, and should no longer directly organize or command production operations in the enterprises. They should also break financial ties with the enterprises. In the future, except for a few enterprises with a bearing on the whole situation of the national economy which must be directly managed by the provincial authorities, the enterprises will be delegated to Xining City and the prefectures where they are located to manage. The province should strive to complete the work of delegating the enterprises before the end of 1985. We must also further expand the pilot projects in the responsibility systems for plant managers and directors and strive to popularize these systems in the great majority of enterprises during 1985.

The views of the provincial CPC Committee proposed: We must set up a flexible planning structure and bring into full play the role of economic levers such as prices, tax revenue, and credits. In industry, agriculture, and animal husbandry, the provincial authorities will only propose guiding principles for the cultivation of agricultural crops, and will no longer issue planned sowing areas. Guidance plans will be issued for output of major agricultural and animal husbandry products and for afforestation areas. In industrial production, apart from mandatory plans issued for a few major products which are under unified state and provincial allocation, guidance plans will be issued for the majority of major products. In the case of agricultural, animal husbandry, and sideline products, and industrial daily sundries that are not covered by the plans, production will be arranged according to market supply and demand.

In commodity procurement, the province will continue to practice planned procurement and allocation of goods, and at the same time

However, the province will appropriately reduce the procurement base figures, and increase the proportion retained by the producers and so on, according to the circumstances, to encourage the enthusiasm of the areas and enterprises for production operations. Apart from that, guidance plans or market regulation will be practiced for the majority of products, with procurement and sales at negotiated prices.

In Yushu and Golog Prefectures, which are remote areas with a very weak economic foundation, procurement and sales will be completely open for locally-produced agricultural, animal husbandry, and sideline products and industrial products. This does not include commodities allocated by the state.

On reforming circulation, opening up the markets, and expanding external economic and technological cooperation, the provincial CPC Committee demanded that Xining City and the majority of autonomous prefectural and county seats should set up various types of service trade centers and commodity wholesale markets. A trading network integrating large, medium, and small markets should be formed throughout the province. All products except for a few major ones that are distributed according to plan can be bought and sold freely and handled in an open way.

We must persistently build our province with the door open, and open up to other provinces and countries. We must change our closed economy into an open one and step up our own invigoration.

The views of the provincial CPC Committee laid particular stress on respecting knowledge and talent and boldly promoting a generation of new people. The provincial CPC Committee held: At present knowledge is looked down on, intellectuals are discriminated against, and talent is suppressed to varying degrees in certain areas and units. A number of intellectuals and specialised talent are misemployed and cannot fully play their role. The problems of some comrades not being happy working in Qinghai and of outflow of talent have not yet been solved well. We must wage struggle against all ideas and instances of looking down on science and technology, on exploiting brain-power, and on intellectuals. We must form an excellent atmosphere of respecting knowledge and talent throughout the province, and bring into full play the important role of knowledge and talent in the four modernizations drive in Qinghai.

BAI JINIAN ADDRESSES SHAANXI MOBILIZATION MEETING

HK311548 Xian Shaanxi Provincial Service in Mandarin 1130 GMT 28 Dec 84

[Excerpt] After democratically electing principal responsible persons of the provincial CPC Committee in August, the provincial CPC Committee has recently further decided to adopt the mass line in democratically electing heads and deputy heads of various departments under the provincial authorities.

On 27 December, the provincial CPC Committee held a mobilization meeting for some 300 leading cadres at and above party leading group level from all departments under the provincial authorities. Comrade Li Qingwei, deputy secretary of the provincial CPC Committee and governor, presided over the meeting. He also announced at the meeting the provincial CPC Committee and provincial government's circular on implementing democratic elections and public opinion polls among the departments under the provincial authorities. Comrade Bai Jinian, secretary of the provincial CPC Committee, delivered the mobilization speech.

The provincial CPC Committee and provincial government's circular pointed out: In order to develop and appoint a new generation of gifted people in a larger scope and to accelerate the four transformations among leading groups of all departments under the provincial authorities, the provincial CPC Committee and the provincial government have decided to adopt the mass line in democratically electing the heads and deputy heads of various departments.

Departments in which the conditions are not yet ripe can conduct public opinion polls. On the scope of democratic elections and public opinion polls, the departments may, in light of the actual conditions, limit it to the cadres of the department concerned, or may include principal party and government leaders of units directly under the department concerned.

The circular urged: When conducting democratic elections, the departments must uphold the standards of the four transformations of cadres, and promptly promote to leading groups at various levels outstanding cadres who have a strong party spirit, possess professional knowledge and management skills, are bold in making innovations, and are able to create a new situation. Basically speaking, the requirements are:

First, the cadres should have a good political record, particularly good performance during the Great Cultural Revolution.

Second, they should be younger in age. Generally speaking, the newly promoted cadres at deputy department and bureau head levels should be about 45 years old, while the age of department and bureau heads should be about 50, with the maximum age 55. At the same time, we should pay attention to promoting cadres and women cadres in their 30's. Present heads and deputy heads of departments, committees, offices, and bureaus should be under the original regulations on age limits.

Third, the cadres should have a higher educational level. Generally speaking, they should have received education at and above the university and college level. We should also promote those outstanding cadres who have developed their competence through self-study, and are well-experienced and capable: and whose actual education is equivalent to that of the university or college-level.

Fourth, they should possess a fairly high ability in organization and leadership and should be competent.

Fifth, they should know the work well, have an emancipated mind, and be able to create a new situation.

On the method of conducting democratic elections, the circular put forward the specific regulation: Any unit that conducts democratic elections or public opinion polls must organize all of its cadres to seriously study the relevant documents of the CPC Central Committee and the provincial CPC Committee, and the important remarks of leading comrades. After repeated discussion, on the basis of seeking a common understanding, we should develop a democratic style of work, as well as should nominate and elect candidates by means of secret ballot.

FOREIGN MINISTER ASKS FOR ADVANCED U.S. WEAPONS

0W031020 Taipei CHINA POST in English 29 Dec 84 p 12

[Text] The Republic of China continues to depend on the United States for the supply of most of its weapon requirements though it is endeavoring to develop its own defense industry, said Foreign Minister Chu Fu-sung yesterday. At an year-end news conference, Chu said most of the locally-made weapons are of medium and small sizes. This nation is cooperating with West European nations in developing high-performance weapons, he remarked.

Chu made the statements while replying to a reporter who asked if this nation will buy weapons from foreign nations who do not have diplomatic relations with the Republic of China. The minister, actually, side-stepped the question.

Defense Minister Soong Chang-chih reportedly has said that the ROC may buy weapons from foreign nations with which this nation does not have formal relations.

Better Jetfighters Needed

The ROC, confronting the Chinese Communist regime on the other side of the Taiwan Strait, has repeatedly asked the U.S. for sales of more advanced military equipment, especially after Red China developed its Jian 8 AA which is superior to the ROC's F-104 in some aspects.

Though the attempt to purchase such weaponry meets increasing difficulties after the U.S. normalized relations with Red China in 1978, Minister Chu revealed yesterday that the government is negotiating with the U.S. over the purchase of F-20 jet fighters which are equivalent to F-50's.

Trade Imbalance

Minister Chu yesterday also expressed his concern about the huge trade imbalance between the ROC and the U.S. which is expected to leap to US\$10.8 billion this year in the ROC's favor.

Chu said more "buy American" missions will be dispatched to purchase products, especially industrial products, from the U.S. This nation has dispatched nine such groups to the U.S., including four this year which bought about US\$600 million worth of products from the U.S.

The Ministry of Foreign Affairs and the Ministry of Economic Affairs will further cooperate to increase purchases from the U.S., Chu said.

The minister, however, rejected a proposal to allow Eastern European scholars to attend academic conferences in the ROC. The proposal was made by members of the Academia Sinica, this nation's highest academic institute, during their 16th biennial conference last week.

Chu said visit exchanges with Eastern European nations are not allowed, citing security reasons. Only trade is allowed, he remarked. This is the government policy for dealing with communist nations, he added.

Ties to Nicaragua

Chu said the government will do every effort to maintain relations with Nicaragua to help prevent the infiltration of communists into that country. Nicaragua practices socialism, but not communist dictatorship, he remarked.

The minister also reiterated the nation's stand not to contact or negotiate with Red China in government-level international activities. As for activities on the people-to-people level, he said, "our stand is not to yield and not to withdraw."

The government will start contacts with the other side of the Taiwan Strait only when Red China gives up communism and practices democracy, Minister Chu said.

Only An Expedient

The so-called "Olympic formula," however, does not suit any other international activities involving both government and non-government organizations, he declared.

The ROC avoided using its national name and flag in the 1984 Olympic Games in Los Angeles under pressure from Red China. The title of the ROC team at the games was Chinese-Taipei.

The formula is an expedient the nation adopted in one isolated case, designed to restore the nation's membership in the Olympic Games and to enable ROC athletes to participate in international activities while the nation's diplomatic status continues to be extremely difficult, he explained.

Nevertheless, Minister Chu said, the government has not decided whether to adopt the Olympic formula in the 1988 Olympic Games in Seoul.

Breaking Diplomatic Stalemate

To break this nation's diplomatic stalemate, the minister said this nation is doing its best to establish formal relations with new independencies. New independent nations with which the ROC has established diplomatic relations include several in the central and southern Pacific Ocean and the East Caribbean area, he said.

In addition to further strengthening its relations with foreign nations with which the ROC has diplomatic relations, Chu said, this nation is strengthening substantive relations with others through economic and cultural exchanges.

He said the ROC's contribution to the world economy and world trade has been recognized internationally. This nation's trade volume is the 13th highest among the world's 170-odd nations. It is also the 6th greatest trade partner of the U.S., Minister Chu said.

NEWSPAPER DISPUTE MAY REFLECT TAIWAN POLICY SPLIT

HK040643 Hong Kong SOUTH CHINA MORNING POST in English 4 Jan 85 p 1

[Text] Internal strife within Hong Kong's only Taiwan-supported newspaper is causing concern in Taipei. A meeting presided by officials of Kuomintang's literary work committee was held last month in an attempt to resolve the dispute.

The row centred on an allegation that the deputy president of the HONG KONG TIMES was softening its anticommunist stance.

The fact that the charges were made by several former editorial writers and columnists of the paper has been interpreted by some as differences in policies towards Hong Kong. According to an informed source, the accusation against Mr Kam Tat-hoi was ruled "unfounded" at the meeting. However, the dispute has not ended as Mr Kam was understood to be considering taking legal action against a magazine published in Taiwan which had carried the accusation against him.

Several long-time writers of HONG KONG TIMES ended their columns in May last year because of a change of format in the feature page. Five former editorial writers then accused Mr Kam of softening the paper's anti-communist stance. The five said the feature page columns by writers with a strong anti-communist stance were stopped on Mr Kam's instructions. The five also said Mr Kam refused to allow the paper to co-operate with pro-Taiwan organisations in the propaganda offensive on the 1977 issue.

The deputy president was also accused of banning personal attacks on mainland leaders. It was hinted that he liaised with Mr Ma Bi -- a Taiwanese professor on political warfare who defected to China a few years ago. The other accusations alleged Mr Kam took editorials written by others as his, that he appropriated funds, and that he was forming a clique in the paper.

A Taiwan-published magazine in its November issue carried all these accusations together with an article about how Mr Kam "terminated" the six columns in the paper's feature page. The charges were, however, ruled by the KMT literary work committee as "unfounded."

Mr Kam threatened to sue the magazine for libel. However, after mediation by a third party, he agreed to drop the suit provided the magazine printed an apology together with his reply to the charges.

In the current issue, Mr Kam's reply was printed but there was no apology. It is understood Mr Kam is still considering legal action. In his reply, Mr Kam denied that the paper was softening its anti-communist stance.

On dropping the six columns, he explained it was the decision of the editor of the feature page.

Mr Kam said most of the writers were still contributing to the paper, although not as columnists.

On Mr Ma liaising with him, Mr Kam said he reported the incident immediately after receiving a telephone call from his former colleague.

Mr Kam denied all other accusations.

The row within HONG KONG TIMES is interpreted by local observers as differences in policies towards Hong Kong.

According to them, certain quarters in the Taipei Government wanted to adopt a more flexible attitude towards Hong Kong and this was reflected in Mr Kam's "moderate" approach. A Taiwanese source in Hong Kong, however, disagreed with this theory saying the rift was more a personal feud.

PRC LIKELY TO MEET 'QUADRUPLING' TARGET BY 2000

HK040508 Hong Kong TA KUNG PAO in English 3 Jan 85 p 1

[By Gerald Chen]

[Text] Things look pretty certain that China will exceed its target of quadrupling its national output by the year 2000. For the year that has just passed, latest figures released by Beijing's State Statistics Bureau revealed that gross industrial and agricultural output hit a record high of RMB1,000 billion (US\$360 billion), marking a growth of 11 percent over 1983. The surge pales the average rate of growth of the past 30 years of a fraction above 8 percent.

The modernization drive envisages a boost of the national output in the 20 years from 1981 to 2000 from RMB720 billion to RMB2,800 billion. To reach this target it is calculated that an average annual rate of growth of 9 percent would suffice.

According to plan, the annual growth rate for the initial five years was fixed at a cautious 4.5 percent. It is planned for this rate to be progressively quickened to reach 7.2 percent by 1990, and yet steeper rises in the final leg to 2000. The target of RMB2,800 billion by 2000 requires an average annual growth of 7.2 percent in the 20 years. It is pointed out that 1984's brilliant jump of 11 percent gives the initial four years an average headstart of 9 percent. "It can be stated with certainty that the target of quadrupling the national output by the year 2000 is within reach or can be reached ahead of time," a spokesman of the statistic bureau declared.

He went on to observe that two possibilities are in store for the runup to the year 2000 even if there were no further quickening of the pace of the average growth rate for the first four years, i.e. only a 9 percent growth rate can be maintained for the remaining 16 years leading up to 2000.

One is by 2000 the national output will reach staggering RMB3,900 billion (US\$1,035 billion), which will mark an overfulfillment of RMB1,000 billion over the targeted RMB2,000 billion by the year 2000. A second possibility is the equally inspiring prospect of reaching the target of RMB2,800 billion four years ahead of schedule, i.e. 1996.

Important among factors leading to the impressive success of 1984 was the year's record harvest of 400 million tonnes. From now on, the stupendous task of feeding one billion mouths is no longer a serious problem in China.

Important breakthroughs were also made in the field of energy. In 1984, China produced 114 million tonnes of crude oil, eight million tonnes more than in 1983 and 6 million tonnes over the year's plan.

It is recalled that for years the country's oil output had lingered at around the 100 million-tonnes mark.

Analysts point out that in 1958, China produced 200 million tonnes of grain and 300 million tonnes in 1978. The recent jump of 100 tonnes took only six years as compared with the previous 100-tonnes jump which took as long as 20 years. [figures as published] The key lies in the new agricultural policies introduced since 1979.

On the difficulties in the economy, the spokesman mentioned the shortage of capital funds, energy, and transportation facilities. It is pointed out that they are still the chief obstacles in China's economy. It is believed, however, that with the gradual removal of these difficulties, the pace of economic growth can proceed at a still faster rate.

NEW MANAGER NAMED FOR PRC COMPANY IN MACAO

HK040733 Hong Kong SOUTH CHINA MORNING POST in English 4 Jan 85 p 7

[By "Our own correspondent"]

[Text] Macao, Jan 3 -- A new general manager has been appointed to head the Nam Kong Trading Company here following an reorganisation last year. The company, long regarded as China's front office in the territory, was restructured into three separate divisions last year.

While the trading company continued to import and export Chinese products, the newly-created Nam Kong Company was given the task of keeping in contact with the Macao Government on official matters.

A new arm, the Nam Kong Arts and Crafts Company, was also set up to handle mainly the marketing of Chinese arts and handicrafts.

GU MU ANNOUNCES OPENING OF 4 LARGE REGIONS

HK040711 Hong Kong SOUTH CHINA MORNING POST in English 4 Jan 85 p 1

[Text] China is to open up four large regions as part of the third stage of its open-door policy, a state councillor and pioneer of the special economic zones, Mr Gu Mu, announced at a conference now underway in Peking.

The four regions are the Pearl River Delta, the Yangtze River Delta, Liaodong Peninsula in Liaoning Province and Jiaodong Peninsula in Shandong.

The first stage was the establishment of the four special economic zones of Shenzhen, Zhuhai, Shatou (Swatow) and Xiamen (Amoy).

This was followed by the establishment last year of 14 open cities and regions which held a major meeting in Hong Kong late last year.

The areas designated for the third stage of the open-door policy have not been fully defined but it is believed that two of the regions will include most of the rich lands surrounding Canton in the Pearl River and Shanghai at the mouth of Yangtze River.

Liaodong Peninsula has several major cities, notably the port city of Dalian, which is already one of the open cities.

The disclosure by Mr Gu was made at the annual convention of the All-China Writers' Association.

DAYA BAY JOINT VENTURE CONTRACT SIGNING 18 JAN

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[By Renu Daryanani]

[Text] The long-awaited signing ceremony that will set the Daya Bay nuclear plant project in motion will take place in two weeks in Peking.

The Hong Kong Nuclear Investment Co (HKNIC) and the Guangdong Nuclear Investment Co (GNIC) are expected to sign a contract setting up the joint venture company to build and operate the plant on January 18.

This corporate structure has to be set up before contracts can be signed with equipment suppliers and financing for the \$27.4 billion plant can be arranged.

The Hong Kong Government yesterday announced it has "no objection" to the participation of HKNIC in the project after vetting the draft contract.

The statement came after the Executive Council studied the draft contract -- drawn up after complex negotiations -- at a long morning meeting yesterday.

The Chinese Government is in the final stages of considering the draft contract and is expected to approve it "within days," according to China Light and Power.

Chinese officials had originally hoped the joint venture company that will build the Daya Bay plant -- China's first commercial nuclear station -- could be set up before the middle of last year.

The complicated discussions on setting up the joint venture company has lasted for more than a year.

The chairman of HKNIC, Mr William Stones, yesterday welcomed the fact that the government had no objection to the company going ahead with the project.

Besides Mr Stones, HKNIC directors Lord Kadoorie, who is chairman of China Light and Power and Sir Sidney Gordon, who is deputy chairman, will visit the Chinese capital for the signing ceremony.

The secretary for economic services, Mr Piers Jacobs, and the secretary for monetary affairs, Mr Douglas Blye, who are also directors of HKNIC, will both probably fly to Peking as well, sources say.

HKNIC will have a 25 percent stake in the joint venture company while GNIC will own 75 percent. China Light and Power is the sole investor in HKNIC.

The Vice-Minister of China's Ministry of Water Resources and Electric Power Mr Peng Shilu told SCM POST reporter Albert Chan in Canton last night he had been informed of the Executive Council decision.

Mr Peng, who heads the whole project, expressed his delight and said there was no problem with China giving the green light.

One remaining problem was with the translation of the draft contract and some amendments were needed here.

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